DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1988

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

FIRST SESSION

SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

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PART 4

DEPARTMENT OF JUSTICE

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DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1988

WEDNESDAY, MARCH 11, 1987.

DEPARTMENT OF JUSTICE

ATTORNEY GENERAL

WITNESSES

EDWIN MEESE III, ATTORNEY GENERAL
HARRY H. FLICKINGER, ACTING ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION
ROBERT N. FORD, COMPTROLLER
MICHAEL J. ROPER, DEPUTY COMPTROLLER FOR BUDGET

INTRODUCTION

Mr. SMITH. This morning we will begin testimony on the fiscal year 1988 budget request of the Department of Justice.

We are pleased to welcome back the Attorney General of the United States, the Honorable Edwin Meese III. At this time, I will yield to Mr. Whitten, Chairman of the Committee.

COORDINATION OF DRUG WAR

Mr. WHITTEN. Thank you, Mr. Chairman.

Mr. Attorney General, in the Continuing Resolution we required the following:

"Pending the enactment of the Omnibus Drug Supplemental Appropriation Act of 1987, contained as Title II of the Fiscal Year 1987 Continuing Appropriations Act of 1987 (H.J. Res. 738), the President or his designee shall, out of the $1,200,000,000 made available for drug abuse prevention programs by House Joint Resolution 738, and continued by this Resolution and in the regular appropriation bill for Fiscal 1987, with the cooperation of those presently engaged in the effort in the executive departments, Members of Congress and others experienced in the field of law enforcement, use $100,000 to develop an overall drug abuse prevention plan that coordinates the government's efforts in combatting the widespread use of illegal drugs."

That was money you already have. In my opinion, this provision ties down those funds for that purpose. I have, in the last few months, been over much of the United States. Everywhere you go people are wanting money for uniforms and for offices, and in most places, they are not getting their share of the drug money. Now,

the point is, if we do not have a plan, we can waste billions of dollars. In dealing with this thing on our Committee, we gave some thought to having a drug Czar. I think we are all probably going to have to give some thought to that because the magnitude of the program is unbelievable.

I wrote your office on this issue sometime ago and I just want to call your attention to it, and want your assurance that you will go ahead with the plan. The money to establish a plan is there. It was provided in the Continuing Resolution, but I have heard of no action in that direction.

I raise it with you and would like to be reassured that the plan will be set in operation. Otherwise, we can just throw the money to the winds and get very little in the way of results.

Do you have any comment to make?

Attorney General MEESE. Yes, Mr. Chairman.

We have completed the portion of that plan that relates to drug law enforcement. The national strategy for international and national drug law enforcement was completed about a month ago, and I will see that you get a copy of it.

We feel that there is no need for a Czar, that we have that structure already in effect with the National Drug Policy Board, which the President created by his direction within the last, I believe, four or five weeks, and which is being promulgated by an Executive Order, to bring all of the agencies that are involved in either drug abuse prevention or drug law enforcement together into a single entity. So I will be happy to provide you with those documents.

Mr. WHITTEN. Do that and, if it is agreeable with the Chairman, I would like for you to include a copy of the plan in the hearings. I wrote your office about a month ago and I have not had any response. I am not saying we need a drug Czar, but I am saying that the magnitude of the program gets greater and greater.

Mr. Chairman, I would like this to be put in the appropriate place in your hearing.

Mr. SMITH. We will do that.

Mr. WHITTEN. Thank you very much.

Attorney General MEESE. We will be happy to send that to you.

[The information requested follows:]

PLAN FOR COMBATING NATIONAL DRUG PROBLEM

The Executive summary of the "National and International Drug Law Enforcement Strategy" follows. A copy of the complete strategy has been provided to the committee. In addition, Chairman Whitten's letter to the Attorney General of February 10, 1987, and the response received from the Assistant Attorney General for Legislative Affairs, John R. Bolton, follow:

EXECUTIVE SUMMARY

NATIONAL DRUG ENFORCEMENT POLICY BOARD

NATIONAL AND INTERNATIONAL DRUG LAW ENFORCEMENT STRATEGY

January 20, 1987

Submitted to the Congress by the National Drug Enforcement Policy Board pursuant to Section 1304(a)(1) and Section 1305 of the National Narcotics Act of 1984 (21 U.S.C. §§1201-1204).

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Within the past few years, there has been a heightened sense of public awareness and activism concerning the international problems of drug trafficking and abuse. In the United States, as in many other countries, the fight against drugs has acquired new political significance, improved laws and prosecutorial tools, and additional resources. The President and Mrs. Reagan's personal attention, the President's Commission on Organized Crime report, "America's Habit: Drug Abuse, Drug Trafficking, and Organized Crime," Administration and Congressional concern reflected in the passage of the Anti-Drug Abuse Act of 1986, and expanded media coverage all attest to a firm commitment to the continuing struggle against drug trafficking and abuse. Federal, State, and local governments, the United Nations, private and non-profit organizations, and individuals have all joined the effort to prevent, treat, and research drug abuse, and to educate our citizens about the dangers of using illegal drugs.

Drug law enforcement is an integral part of this national battle. The commitment to toughen drug law enforcement reflects a change in attitude about the serious nature of drug abuse and trafficking. Americans now recognize that drug abuse is neither a private matter nor a victimless crime, and that all Americans pay the economic, health, and social costs that drug abuse and trafficking bring to their communities.

The years 1981 through 1986 have witnessed the largest increases in drug law enforcement funding and manpower in the nation's history. To coordinate the efficient application of these new resources, the National Drug Enforcement Policy Board was created. In its first full year of operation in 1986, the Policy Board became involved in a number of successful interagency law enforcement activities, and established itself as the focal point for coordinating the policy, strategy, and resources necessary to wage a successful battle against drug

trafficking. Furthermore, a recent expansion of the Policy Board to include the Secretaries of Education and Housing and Urban Development, coupled with the statutory presence on the Board of representatives from the Department of Health and Human Services and the White House Drug Abuse Policy Office, have placed the Policy Board in a unique position to coordinate more closely the supply and demand elements of the Federal government's extensive anti-drug program. The Policy Board recognizes that a coordinated program of supply reduction through law enforcement, and demand reduction through education and prevention, is the key to long-term success in the fight against drug abuse and trafficking.

The ultimate goal of both supply and demand reduction efforts is the elimination of drug abuse and trafficking. Drug law enforcement supports this national goal by attacking the supply of drugs all along the distribution chain from field or laboratory to consumer. This National and International Drug Law Enforcement Strategy contains five major components: intelligence; international drug control; interdiction and border control; investigation and prosecution; and diversion and controlled substance analogue regulation. These components are highly interactive and mutually supportive, and they must be applied in a balanced manner in the national fight against drug trafficking. Additional chapters include a description of the National Drug Enforcement Policy Board's structure and activities, a threat assessment, a discussion of drug law enforcement's role in reducing the demand for drugs, and a special focus chapter on drug strategy concerning Mexico and the Southwest border.

Threat Assessment

Drug trafficking and abuse pose serious threats to the health, welfare, and national security of the United States.

Millions of Americans abuse drugs, which are smuggled into the United States from foreign sources, produced domestically, and diverted from legitimate distribution networks for illicit use. Drug trafficking trends demonstrate the heightened sophistication of trafficking organizations and their increased reliance on violence and corruption.

Cocaine Threat

- Increases in cocaine consumption, cocaine-related hospital emergencies and deaths, and the use of a potent new form of cocaine known as "crack" indicate that this drug poses the most serious drug threat to the United States.
- Most cocaine seized in the United States is produced from coca cultivated in South America, particularly in Peru and Bolivia.
- Colombia continues to be the predominant location for final-stage processing of cocaine, providing approximately 75 percent of the cocaine hydrochloride available in the United States in 1985.
- Most of the cocaine entering the U.S. is still transported aboard aircraft; however, there has been increasing use of private and commercial vessels. While the heaviest trafficking activity remains in the Caribbean, Bahamas, and Southeastern U.S., cocaine smuggling is becoming more dispersed, with increased activity in the Gulf Coast and Southwestern states.

Opiate Threat

- Heroin consumption in the United States appears to have increased in 1985. Heroin-related emergencies increased due, in part, to the recent introduction of a potent form of heroin known as "black tar" and the continuing use of heroin in combination with other drugs.
- The three primary illicit opium production areas are Southwest Asia, Mexico, and Southeast Asia.
- 42 percent of the heroin available for consumption in the United States is produced in the Southwest Asian countries of Afghanistan, Iran, and Pakistan. Turkey remains a major transshipment and staging area for opium, morphine

base, and heroin from this region. There is increased heroin trafficking through India, from both Pakistan and Burma.

- Mexico is an increasingly significant source of heroin consumed in the United States, accounting for more than one-third of all heroin consumed nationwide.

- In Southeast Asia, the major opium cultivators and heroin producers operate in Burma, Thailand, and Laos. Most Southeast Asia heroin, like that of Southwest Asia, travels to world markets in the luggage of commercial air passengers and, to a lesser extent, by international mail and vessel traffic.

Cannabis Threat

- Marijuana is the most widely used illicit drug in the United States, with approximately 18.2 million current marijuana users in 1985.

- An estimated 81 percent of the marijuana available in the United States in 1985 was produced abroad and 19 percent was produced domestically. Most of the marijuana smuggled into the United States from foreign sources came from Mexico (40 percent) and Colombia (38 percent).

- Marijuana grown in Mexico accounted for 40 percent of the marijuana available in the United States in 1985, up from 6 percent in 1982. Expanded cultivation and reduced eradication and seizures were, in part, responsible for this increase. Marijuana from Mexico is normally trafficked by overland methods and in relatively small quantities.

- Principally as a result of Colombia's aerial eradication program and intensified interdiction operations in the region, the market share of marijuana from Colombia dropped from 48 percent in 1984 to 38 percent in 1985. Colombian traffickers rely heavily upon non-commercial vessels to transport marijuana.

- Most hashish smuggled into the United States is produced in Lebanon, Pakistan, and Afghanistan. This hashish is normally smuggled in commercial vessels.

Dangerous Drug Threat

- The term "dangerous drugs" refers to all drugs except heroin and opium, cannabis products, and cocaine.

Estimates are that total illicit consumption of dangerous drugs was 2.8 billion dosage units in 1985, a decrease from the 1984 estimate of 3 billion dosage units.

- Most of the dangerous drugs abused in the United States are produced in domestic clandestine laboratories; most of the 1985 laboratory seizures involved methamphetamine, amphetamine, P2P, and PCP.
- A wide variety of groups, including several outlaw motorcycle gangs, have been identified as being involved with the production and distribution of dangerous drugs and controlled substance analogues.

Intelligence

The effectiveness of the overall Federal drug law enforcement effort depends on strong intelligence support. In view of the limited resources available to drug law enforcement, improved intelligence capabilities may offer the best hope for better enforcement success. Reliable and timely intelligence allows law enforcement resources to be applied more effectively and efficiently.

The Strategy

- Three types of intelligence contribute to Federal drug enforcement efforts: strategic, tactical, and operational. For maximum effectiveness, each type must be fully employed in a balanced fashion.
- An accurate threat assessment is key to the enforcement effort. Intelligence organizations will focus on producing accurate, timely estimates of drug cultivation, production, consumption, exportation, and seizures both inside and outside source countries. Threat assessments will also more thoroughly and accurately describe traffickers and their organizations, practices, and affiliations. The organizations collecting intelligence will standardize their methodologies of testing the accuracy of their drug data.
- The intelligence strategy includes: coordination of intelligence activities of the law enforcement and intelligence communities; development of accurate

indicators of patterns, trends, and degrees of smuggling activities; assessment of capabilities and constraints of foreign military and law enforcement units to respond to drug threats; and analyses of the structure of trafficking organizations and the identification of their weaknesses.

- The Strategy also calls for effective and efficient use of all enforcement agencies, including those of foreign source and transshipment countries.

International Drug Control

Most of the illicit drugs consumed in the United States are cultivated and processed in foreign countries. America's international drug control program seeks to break the chain that links farmers in those drug producing countries to users in the United States by stopping the flow of drugs as close to the source as possible. The United States continues to place the highest diplomatic priority on enlisting international support for drug control efforts. The international program also seeks to reduce the supply of drugs through assistance to foreign governments in crop eradication, interdiction close to production sources and along trafficking routes, the arrest and prosecution of major traffickers, and the seizure of drug-related assets. Many governments have joined the United States in a more vigorous international program and have assigned higher foreign policy and enforcement priorities to the drug problem.

The Strategy

- The international strategy involves both diplomatic and programmatic initiatives.
- The objective of the diplomatic strategy is to internationalize the response to the drug problem thereby encouraging other governments to engage in unilateral, bilateral, and multilateral drug control efforts.
- Crucial components of the diplomatic strategy include: sharing information with the international community about the dangers of drug trafficking and abuse; conveying

United States' policies and attitudes with respect to these problems through embassies and other personnel abroad; and supporting and actively participating in regional and international efforts to address drug trafficking and abuse.

- The objective of the programmatic strategy is to destabilize trafficking operations as close to the source as possible. Components of this strategy are: eradication; development and economic assistance; interdiction; and investigation and prosecution.

- Eradication priorities include: revitalizing the opium poppy and marijuana eradication campaigns in Mexico; sustaining the new aerial herbicidal opium eradication programs in Burma; working with Pakistan to extend the ban on opium poppy production into additional areas; launching more comprehensive coca eradication programs in Andes.

- Development and economic assistance programs in source and transshipment countries will give priority to countering the economic advantages of cultivating drug crops and providing incentives to meet certain drug control objectives.

- Elements of the international interdiction program include: expanding DEA's program to identify and interdict the chemicals and conversion equipment used to process illicit drugs; working with foreign governments to locate and destroy clandestine laboratories and airstrips; and continuing to mount special interdiction operations in cooperation with foreign governments.

- Elements of the international investigation and prosecution program include: negotiating mutual legal assistance treaties (MLATs) with foreign governments in order to improve the exchange of information in criminal cases; encouraging foreign governments to adopt asset forfeiture laws based on the U.S. model; and seeking a number of new or enhanced extradition treaties with foreign countries.

Interdiction and Border Control

The primary objective of the drug interdiction strategy is to reduce the amount of illegal drugs entering the United States. Interdiction focuses on the detection, identification, and interception of shipments of illegal drugs as they move from departure points in source countries, along smuggling routes

to our land, sea, and air borders. Successful interdiction programs deter potential traffickers from entering the drug trade, disrupt the flow of drugs into the United States, and force traffickers to develop more expensive methods to avoid detection and use longer, more difficult smuggling routes.

The Strategy

- The objective of the interdiction strategy is to reduce the amount of drugs entering the United States by targetting the transportation link between drug supply and demand.
- Interdiction program emphasis has turned, in recent years, to multi-agency offensive operations against particular targets when and where the threat is determined to be the greatest.
- Interdiction strategy components include: detection; interdiction in transit; border interdiction; flexibility and unpredictability; regional strategies; research and development; and expanding roles.
- Detection priorities include: better use of intelligence products; increased emphasis on predicting shifts in trafficking operations; better coordination of intelligence and operations through establishment of C^3I centers; and increased deployment of fixed and mobile detection assets from both the law enforcement agencies and the Department of Defense.
- Transit zone interdiction elements include: additional resources ranging from high performance boats and aircraft to large ships and long-range planes; further integration of detection and intercept capabilities; emphasis on multiagency, multinational offensive operations; and additional international cooperative interdiction ventures.
- Border interdiction elements include: increased port-of-entry inspections of pedestrians, passengers, cargoes, and vehicles, including rail cars and aircraft arriving at small border airports; expanded use of radars and sensors, establishment of mobile response teams, and increased use of the military services and DOD in border areas between ports of entry; and expanded coordinated efforts with State and local authorities.

- Interdiction efforts and assets will remain flexible and unpredictable. Regional strategies will be developed when necessary to respond to the drug trafficking threat in particular regions.

- Research and development of new technologies to help in the detection and interception of drug traffickers will be shared among agencies and monitored by the National Drug Enforcement Policy Board.

- Full advantage will be taken of all agencies' resources and capabilities by expanding certain agency roles and granting additional law enforcement authority where appropriate.

Investigation and Prosecution

The objective of the investigation and prosecution strategy is to immobilize drug trafficking organizations by incarcerating their members, seizing their drugs, obtaining drug-related asset forfeitures, and deporting aliens who are organization principals. Successful investigation and prosecution decrease and delay the supply and distribution of illegal drugs, and deter other groups from entering the drug market.

The Strategy

- The components of the investigation and prosecution strategy include: multi-agency approaches; financial investigation and asset forfeiture; State and local cooperative efforts; targeted and selective deployment of Federal resources; enforcement directed against domestic illicit drug production; and the development and use of international extradition and mutual legal assistance treaties.

- Special multi-agency investigative programs and task forces often offer the most effective and appropriate method of operation when attacking complex trafficking organizations. Therefore, the Organized Crime Drug Enforcement Task Force Program and other cooperative efforts will be used whenever feasible and appropriate.

- Financial investigations concentrate on the disruption of money laundering operations, the seizure and forfeiture of

drug-related funds and assets, and incarceration of traffickers. The Strategy calls for specialized units to be created or expanded to improve the Federal government's ability to conduct financial investigations.

- Federal investigative and prosecutorial resources will be devoted primarily to disrupting and destroying major drug organizations and will give emphasis to cases involving: international criminal connections; financial evidence; and currently active organizations in geographic areas with the largest concentration of high-level violators, the greatest concentration of controlled substances, and the largest amount of drug-related currency.

- Federal, State, and local cooperative efforts will be encouraged through the use of Law Enforcement Coordinating Committees. When appropriate, State and local officers will be deputized as agents and State prosecutors will be cross-designated allowing them to prosecute in Federal court.

- Drug, program, and organization specific approaches will be developed, as appropriate, to tailor investigative and prosecutorial responses to fit specific problem areas.

- The Federal government will continue its nationwide effort of coordinating the use of Federal, State, and local resources against the major financiers, cultivators, and distributors of domestic cannabis and other drugs; such efforts not only reduce the scope of this country's drug problem, but also demonstrate U.S. resolve to attack the problem at home as well as in other drug producing countries.

- To improve the investigation and prosecution of drug traffickers with international connections, the United States will continue to negotiate and revise extradition and mutual legal assistance treaties.

- Finally, the Strategy supports career incentive programs for Federal law enforcement investigators and prosecutors to improve the government's performance in increasingly complex cases.

Diversion Control and Controlled Substance Analogues

Millions of dosage units of legitimate pharmaceutical drugs are diverted from normal U.S. distribution channels into the illicit market each year. Similarly, many widely used industrial

chemicals, most of which are not controlled substances by law, are diverted from the legitimate distribution system to be used by traffickers to synthesize a variety of drugs of abuse. Controlled substance analogues, chemical variants of controlled substances, are typically very potent and have a high abuse potential.

The Strategy

- The objectives of the diversion control and analogue strategy are to: control the diversion of licit drugs from legitimate distribution networks; control the diversion of chemicals used in the clandestine production of drugs; and identify and schedule controlled substance analogues.

- The components of the diversion control and analogue strategy include: domestic diversion investigative activity; State and local initiatives; international diversion; chemical monitoring and tracking; and regulation of controlled substance analogues.

- The domestic diversion control program will continue to rely on preregistration, cyclic, and targeted investigations to assure that the authority to handle controlled substances is granted only to those whose registration would be in the public interest. Law enforcement agencies will also expand their use of the Public Interest Revocation (PIR) authority to immobilize diversion law violators, and will accelerate diversion investigations and prosecutions through the use of improved computer technology and better personnel guidance and training.

- State and local authorities, which bear primary responsibility for the licensing, regulation, and investigation of practitioner registrants, may receive additional Federal support through the Bureau of Justice Assistance State and Local Assistance for Narcotics Control Grant Program (authorized by the Anti-Drug Abuse Act of 1986), and a variety of Federal, State, and local diversion control conferences and workshops.

- International diversion control efforts will include: continuing a number of joint cooperative efforts initiated by the U.S. to combat international diversion; addressing the diversion issue and appropriate international legislation at the United Nations Commission on Narcotic

Drugs; and strengthening diversion control at U.S. Ports of Entry by using the Drug and Chemical Watch Manual and broadening the Automated Commercial System (ACS) to include additional information about diverted drugs.

- To combat chemical diversion, DEA will develop legislation and supplement existing resources in an effort to create a system of controls over certain precursor and essential chemicals, and will encourage other chemical source and transit nations to follow suit in developing appropriate legislation.

- To control the spread of controlled substance analogues, law enforcement agencies will continue to use the emergency scheduling procedures provided by the Diversion Control Amendments of 1984 and actively and effectively implement the Controlled Substance Analogue Act of 1986, making the production, distribution, and consumption of these substances illegal.

Drug Law Enforcement's Role in Reducing the Demand for Drugs

Law enforcement officials play an important role in reducing the demand for drugs through the deterrent effect of their enforcement efforts and through their participation and leadership in drug abuse education and prevention projects. Law enforcement officials use their unique knowledge of drug trafficking and abuse and their credibility to educate both adults and youth to help prevent drug abuse and reduce related social costs. These officials join businessmen, civic groups, drug abuse prevention professionals, media, parents, religious groups, and schools in presenting the clear message that drug abuse is unacceptable.

The Strategy

- In contributing to the national drug abuse awareness and and prevention effort, the Strategy calls on law enforcement officials to participate in a number of important activities.

- Law enforcement authorities must enforce laws concerning both drug trafficking and abuse in order to provide a credible deterrent to drug abuse and to reinforce the

growing consensus that drug abuse is not acceptable behavior.

- State and local jurisdictions should adopt appropriate legislation regarding drug possession and sale of drug paraphernalia, and develop drug testing programs.
- These authorities must also inform themselves and others about the consequences of drug trafficking and abuse in an effort to elevate public awareness about drug trafficking and its global effects.
- Drug law enforcement authorities, working closely with the National Institute on Drug Abuse and the Office of Substance Abuse Prevention, will continue to support current Federal, State, and local demand reduction efforts.
- To foster cooperation and reduce the level of competition that sometimes exists among groups involved in reducing the demand for drugs, drug law enforcement authorities will facilitate communication among these groups whenever coordination is desirable.
- Lastly, drug law enforcement authorities should initiate drug abuse education and prevention activities where communities lack sufficient projects. This includes encouraging the formation of appropriate parent and other groups, and referring these groups to the national organizations that will help them get started.

Mexico and the Southwest Border

Drug traffickers in Mexico have increased their production of heroin and marijuana and are transshipping more South American cocaine destined for the United States. A variety of factors have contributed to this expansion, including the proximity to American markets that are located beyond the long and vulnerable Southwest border of the United States and a break in the effectiveness of Mexican eradication efforts. In response to these problems, the United States has increased the number of high-level exchanges with the government of Mexico concerning drugs. In light of these events, the nature and extent of the

drug problem in Mexico and efforts by both nations to address it, deserve special attention in the Strategy.

The Strategy

- The Strategy calls for a continuation and expansion of the cooperative atmosphere that has been established at the highest levels of government and throughout the law enforcement communities of both the United States and Mexico.

- The Strategy recognizes that in order for cooperation to lead to true progress in drug enforcement, cooperative agreements must be followed by firm actions. Greater progress is essential to meet Congressional certification provisions. The Anti-Drug Abuse Act of 1986 urges the President to impose sanctions against Mexico if cooperative agreements are not realized.

- The United States will press for ratification of the proposed MLAT between the U.S. and Mexico and encourage the use of the extradition treaty that is currently in force between the two countries.

- The Strategy also calls for the revitalization of Mexico's opium poppy and cannabis eradication campaign. The Department of State and DEA will continue to assist Mexico in its eradication programs by training pilots in eradication techniques, improving aerial reconnaissance and verification, and assisting in special operations.

- The Strategy supports continued assistance in the development of public education and drug awareness programs in Mexico.

- The Drug Enforcement Administration will provide additional personnel and equipment to support ongoing and proposed intelligence collection initiatives with respect to the drug problem in Mexico.

- Operation Alliance, a unified, multi-faceted enforcement effort to confront drugs, weapons, and other smuggling along both sides of the border in cooperation with the Mexican government, will continue and expand.

In conclusion, this National and International Drug Law Enforcement Strategy signals massive commitment and dedication by the Federal government and the American people. The battle

against drug abuse and drug trafficking will be a prolonged one, but progress will continue toward the ultimate goal of eliminating drug abuse.

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U.S. Department of Justice

Office of Legislative and Intergovernmental Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

MAR 18 1987

Honorable Jamie L. Whitten
Chairman
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The Attorney General has asked that I respond to your letter of February 10, 1987, in which you addressed the earmarking of $100,000 in 1987 for the development of an overall drug abuse prevention plan that coordinates the Federal Government's efforts in combatting the widespread use of illegal drugs. The Congress provided that this funding shall be available from the Continuing Resolution and regular appropriation bills supporting drug abuse prevention programs for 1987.

As you are aware, the President plans to issue an Executive Order placing the responsibility for all Federal anti-drug programs into one Cabinet-level board. The Executive Order will centralize oversight for all law enforcement programs and all programs for drug prevention, education, treatment, and rehabilitation into a new National Drug Policy Board -- thus expanding the functions and responsibilities of the current National Drug Enforcement Policy Board. In announcing the planned establishment of the new Board on February 3, 1987, the Attorney General noted that this is an important step in providing policy coordination for government-wide efforts to substantially cut the demand for drugs while maintaining and strengthening the long-range drive to reduce the supply of drugs.

In addition to the Drug Enforcement Coordinating Group which exists under the current National Drug Enforcement Policy Board, a newly-designated Drug Prevention and Health Coordinating Group of the new Board will be chaired by Dr. Donald I. Macdonald who has recently been appointed as Director of the White House Office of Drug Abuse Policy. Members of this Coordinating Group will include heads of agencies specifically involved in the drug prevention and education area. This new Coordinating Group's functions and issues of immediate concern are presently being formulated. It is my understanding that the Drug Prevention and Health Coordinating Group will focus, as part of its agenda, on which agency will take the lead in the development of an overall drug abuse prevention plan as well as the $100,000 funding issue

cited above. The development and coordination of such an important drug abuse prevention plan hits at the very heart of why the President plans to place the responsibility for all Federal anti-drug programs into this new Cabinet-level board.

A White House Conference for a Drug Free America will convene this summer to address many issues in the drug prevention and education area. This Conference will bring together representatives of the Executive departments, Members of Congress, law enforcement officials and others experienced in the health, prevention and education areas. In sum, this Conference will significantly contribute to the development of Federal Government-wide drug prevention plans for the future.

On behalf of the Attorney General, I concur with you that we must have a coordinated plan to address this national crisis. The new National Drug Policy Board is the appropriate forum to coordinate this plan. If you would like to discuss this matter further, please give me a call.

Sincerely,

John R. Bolton
Assistant Attorney General

OPENING STATEMENT

Mr. SMITH. Mr. Attorney General, you may proceed with your statement.

Attorney General MEESE. Thank you, Mr. Chairman.

I have presented to the Committee a formal statement.

Mr. SMITH. We will put it in the record.

Attorney General MEESE. It involves some 28 pages and, if I may, I will summarize that statement briefly so that I can respond to the questions of the Committee.

Basically, Mr. Chairman, the Fiscal Year 1988 Budget Request of the Department of Justice, which has been very carefully worked out with the Office of Management and Budget and with the President contains substantial increases for several of our components. These components are involved in the core functions of Government, particularly in the area of law enforcement and in certain special types of litigation.

As this Committee has understood in the past, our workload is really not governed by matters within the power or control of the Department of Justice inasmuch as it reflects activities of law breakers and the activities of law enforcement in apprehending and prosecuting them, and the activities of those who are convicted of Federal crimes and therefore sentenced to the Federal Prison System. It involves the priorities of the President and of the Congress in terms of such things as the Immigration Reform and Control Act, and the Anti-Drug Abuse Act of 1986, as well as the Comprehensive Crime Control Act of 1984, all of which have had substantial impact on the budget of our Department.

We think that the budget that is before you has been very carefully worked out to provide for a system-wide approach, particularly in regard to criminal justice. Over the past six years, we have had virtually a doubling of the law enforcement officers. As a matter of fact, if you go back to 1981, we have had virtually a tripling of the resources devoted to drug law enforcement efforts. What we are doing, therefore, is increasing the number of people who are processed through the court system. This requires additional Assistant U.S. Attorneys; it requires additional prison space; it requires additional Deputy U.S. Marshals. So we have constructed our budget on a system-wide approach.

In addition to that, let me point out particularly the acute need that we have for prison space. We have a budget that for the last several years has included a substantial increase in the building program of our prison system. And, yet, the number of prisoners being sentenced to the Federal prisons is increasing every year.

We thought, in 1986, that we could anticipate something like 39,000 prisoners for Fiscal Year 1987. Our number today is in excess of 42,000. So we are even ahead of the number that had been projected just two years ago.

I mentioned this because it is critical that we have a prison construction program where we can plan ahead. We are in the process, as you know, of a five-year building plan, which we have discussed, I believe, with Members of the Committee in the past and will continue to be available to discuss with you. The important thing I

think is that we have this funding on a consistent basis and not have ups and downs, so that we will have adequate prison capacity.

I might say on the litigation side, again, our workload is to some extent dictated by the number of people that sue the Federal Government. But we also have found that when we are able, with the limited resources we have, to pursue affirmative litigation on behalf of the Government, the return in terms of dollars to the U.S. Treasury is many times the amount of dollars that are invested in our litigators. We have programs, such as the Debt Collection program and others of a similar nature.

So we present to you this budget, Mr. Chairman, and I would be happy to answer any specific questions. The statement submitted to the subcommittee and the budget justifications go into much greater detail about the individual portions of our budget.

[The Budget Summary submitted in support of this request and the written statement of the Attorney General will be included at this point in the record:]

DEPARTMENT OF JUSTICE

Table of Contents

Item	Page
Summary of Budget Authority by Appropriation, 1986 - 1988	1
Summary of 1987 Budget Authority, Supplementals and Rescissions	3
Explanation of Proposed Program Supplementals and Rescissions	4
Summary of 1988 Appropriation Language Changes	6
Summary of 1988 Authorization Language	9
1988 Estimates Compared with 1986 and 1987 Requirements	10
1988 Summary of Requirements	12
General Administration	15
Working Capital Fund	18
U.S. Parole Commission	19
General Legal Activities	20
Foreign Claims Settlement Commission	30
U.S. Marshals Service	31
Support of U.S. Prisoners	34
Fees and Expenses of Witnesses	36
Community Relations Service	38
U.S. Trustees System Fund	40
Assets Forfeiture Fund (Special Fund)	42
Federal Bureau of Investigation	43
Drug Enforcement Administration	46
Immigration and Naturalization Service:	
Salaries and Expenses	48
Immigration Legalization (Special Fund)	51
Immigration User Fee (Special Fund)	52
Federal Prison System	53
Salaries and Expenses	54
National Institute of Corrections	57
Buildings and Facilities	58
Federal Prison Industries, Incorporated	60
Office of Justice Programs	61
Crime Victims Fund (Special Fund)	65

DEPARTMENT OF JUSTICE

Summary of Budget Authority by Appropriation
(In thousands of dollars)

Appropriation	Fiscal Year 1986	1987	1988
General Administration	$67,756	$79,565	$103,513
Working Capital Fund	...	...	4,000
U.S. Parole Commission	9,379	10,539	12,253
Legal Activities:			
General Legal Activities	196,585	220,579	762,598
Antitrust Division	42,536	44,044	...
Foreign Claims Settlement Commission	670	571	510
U.S. Attorneys and Trustees	317,724	...	...
U.S. Attorneys	...	358,215	...
U.S. Marshals Service	146,150	164,850	216,092
Support of U.S. Prisoners	59,699	69,630	76,914
Fees and Expenses of Witnesses	45,212	52,187	37,359
Community Relations Service	28,614	29,827	29,123
U.S. Trustees System Fund	...	28,179	53,525
Total, Legal Activities	837,190	968,082	1,176,121
Organized Crime Drug Enforcement	957	...	...
Federal Bureau of Investigation	1,157,013	1,303,989	1,484,421
Drug Enforcement Administration:			
Salaries and Expenses	363,660	482,993	522,047
Construction	...	7,500	...
Total, Drug Enforcement Administration	363,660	490,193	522,047
Immigration and Naturalization Service	574,652	731,969	838,828
Federal Prison System:			
Salaries and Expenses	550,953	648,340	760,851
National Institute of Corrections	10,527	9,164	10,509
Buildings and Facilities	44,082	219,249	210,334
Total, Federal Prison System	605,562	876,753	981,694
Office of Justice Programs	195,011	416,059	78,303
SUB-TOTAL, DEPARTMENT OF JUSTICE	3,811,180	4,877,149	5,201,180
Assets Forfeiture Fund	128,710	112,000	120,000
Immigration Legalization	...	148,540	180,692
Immigration User Fee	...	70,389	74,000
Crime Victims Fund	95,700	62,506	70,000
ICC Transfer to Antitrust	...	...	843
TOTAL, DEPARTMENT OF JUSTICE	4,035,590	5,270,584	5,646,715

DEPARTMENT OF JUSTICE

Summary of 1987 Budget Authority
(Dollars in thousands)

	Permanent Positions	Amount
1987 appropriation enacted	65,533	$4,598,090
1987 budget authority associated with Special Funds	...	174,506
1987 pay supplemental requested	...	29,476
1987 FERS supplemental requested	...	68,651
1987 program supplemental requested	4,995	205,530
1987 rescission proposal	-557	-24,598
1987 increases in Special Funds	...	218,929
1987 appropriation anticipated	69,971	5,270,584

Summary of Supplementals and Rescissions

Appropriation	1987 Supplemental Requested: Pay	FERS	Program	Rescission Proposal	Total
General Administration	575	778	11,212	...	12,565
U.S. Parole Commission	84	155	...	...	239
General Legal Activities	1,646	2,213	7,786	...	11,645
Antitrust Division	315	430	299	...	1,044
Foreign Claims Settlement Commission	3	4	...	...	7
U.S. Attorneys	2,818	3,510	887	...	7,215
U.S. Marshals Service	2,234	3,211	405	...	5,850
Support of U.S. Prisoners	...	...	9,630	...	9,630
Community Relations Service	64	85	41	...	190
U.S. Trustees System Fund	93	150	16,436	...	16,679
Federal Bureau of Investigation	9,309	23,005	9,675	...	41,989
Drug Enforcement Administration	2,593	7,324	776	...	10,693
Immigration and Naturalization Service	5,588	10,186	147,793	-24,598	138,969
Federal Prison System:					
Salaries and Expenses	3,932	17,053	548	...	21,533
National Institute of Corrections	20	129	15	...	164
Buildings & Facilities	30	208	...	...	238
Total, Federal Prison System	3,982	17,390	563	...	21,935
Office of Justice Programs	172	210	27	...	409
TOTAL, DEPARTMENT OF JUSTICE	29,476	68,651	205,530	-24,598	279,059

DEPARTMENT OF JUSTICE

Explanation of Proposed Program Supplementals and Rescission
(Dollars in thousands)

Immigration Reform: Funds are requested to implement the Immigration Reform and Control Act of 1986. Increased resources of 4,559 positions and $145,961,000 are necessary to meet increased workload and to establish a special counsel for discrimination.

	Pos.	FTE	Amount
General Administration	200	42	$5,823
General Legal Activities	43	16	2,295
Immigration and Naturalization Service	4,316	1,628	137,843
TOTAL	4,559	1,686	145,961

A rescission of 557 positions and $24,598,000 is proposed as these resources will now be provided from the Immigration User Fee Account.

Immigration and Naturalization Svc. Rescission.	-557	-437	-24,598

U.S. Trustees Nationwide Expansion: To implement the Bankruptcy Judges, United States Trustees and Family Farmer Bankruptcy Act of 1986, 377 positions and $16,993,000 are requested. This request represents the initial costs to expand the Trustee system nationwide. Once expansion of the system is completed, it is expected to be self-sustaining.

General Administration	16	21	557
U.S. Trustees System Fund	361	102	16,436
TOTAL	377	123	16,993

Legal Responsibilities: This increase is requested to implement newly enacted legislation, including private counsel for debt collection and amendments to civil fraud statutes.

General Administration	22	11	2,234
General Legal Activities	21	5	2,640
TOTAL	43	16	4,874

National Security: Increases are requested to fund Presidential security initiatives including administrative support for these initiatives and to develop legal documentation needed to perform essential functions during a national security emergency.

General Administration	12	6	550
General Legal Activities	4	1	120
TOTAL	16	7	670

Bond Building Supplemental: To fund the costs associated with relocation to the Bond Building.

General Administration	...	...	762
General Legal Activities	...	...	2,287
Antitrust Division	...	...	215
TOTAL	...	...	3,264

Federal Telecommunications System: To fund higher than budgeted telecommunications tariff rates, the following increases are necessary:

	Pos.	FTE	Amount
General Administration	...	...	$106
General Legal Activities	...	...	444
U.S. Attorneys	...	...	887
Antitrust Division	...	...	84
U.S. Marshals Service	...	...	405
Community Relations Service	...	...	41
Federal Bureau of Investigation	...	...	1,989
Drug Enforcement Administration	...	...	776
Immigration and Naturalization Service	...	...	950
Federal Prison Systems:			
Salaries and Expenses	...	...	548
National Institute of Corrections	...	...	15
TOTAL, Federal Prison System	...	...	563
Office of Justice Programs	...	...	27
TOTAL	...	...	6,272

General Services Administration Rent: Additional costs associated with General Services Administration (GSA) rental increases.

General Administration	...	...	1,180
Federal Bureau of Investigation	...	...	2,000
TOTAL	...	...	3,180

Support of U.S. Prisoners: The proposed supplemental would fund additional unsentenced inmate days in contract facilities. This request is a result of the implementation of the bail reform provision of the Comprehensive Crime Control Act of 1984. An increase of $9,630,000 is requested.

Federal Bureau of Investigation: Funds of $5,686,000 are proposed for reappropriation. This request will provide that funds for a classified project remain available until expended.

Immigration and Naturalization Service: To fund the contract detention of certain Mariel Cuban criminals, an additional $9,000,000 is required.

Language Changes

General Legal Activities: The proposed appropriation language provides that $2,000,000 requested for independent counsel expenses remain available until expended. In addition, $299,000 of the request is for activities of the Antitrust Division, which are shown as part of this appropriation based on the proposal to merge these two accounts in 1988.

U.S. Marshals Service: Proposed language specifies the amount collected for the service of civil process which may be credited to this appropriation to meet salaries and other expenses, as authorized in P.L. 99-646.

Community Relations Service: The proposed change in appropriation language would allocate the proper amount to the earmarking for reception, processing and care of Cubans and Haitians.

Drug Enforcement Administration (DEA) and Immigration and Naturalization Service (INS): Language is proposed to change the number of vehicles which may be acquired from 575 to 1,030 for DEA and from 490 to 2,230 of which 490 are for replacement for INS.

APPROPRIATION LANGUAGE CHANGES

General Administration. Language is deleted limiting employment in the Departmental leadership offices.

General Legal Activities. The request would allow up to $6,000,000 to remain available for litigation support contracts until September 30, 1989. Two-year availability of this amount has been included in the last three appropriation acts.

The 1987 budget requested that $10,000,000 be made available for office automation systems for the legal divisions traditionally included in the appropriation, as well as the U.S. Attorneys and the Antitrust Division. The requested language was approved, but the amount reduced to $1,537,000. The 1988 request for office automation systems is $24,718,000 and the language is broadened to include offices funded through the General Administration appropriation. Amounts would remain available until expended.

Language allowing $1,000,000 to be transferred from other appropriations to support Independent Counsel is retained except that portion specifically requiring approval of the Committees on Appropriation is deleted.

Consistent with the proposal to merge the appropriations "Salaries and expenses, Antitrust Division" and "Salaries and expenses, United States Attorneys" with this appropriation, a provision has been added allowing obligated funds of the three appropriations to be merged.

Language is added allowing the Chief, U.S. National Central Bureau, INTERPOL to establish and collect fees for background investigations and credit up to $150,000 to this appropriation for services provided.

U.S. Marshals Service. A ceiling of $1,350,000 is set for providing protected witness safesites. This request would be applicable to the "Fees and expenses of witnesses" appropriation if the proposed transfer of the Protection of Witnesses program is not approved.

New language is proposed that would allow the Director of the Marshals Service to collect fees for the service of civil process, as authorized in P.L. 99-646, and credit not to exceed $1,000,000 to this appropriation to cover expenses incurred.

Support of U.S. Prisoners. Language is proposed making the entire appropriation available until expended instead of just the Cooperative Agreement Program.

Language is deleted which restored prior year balances to cover anticipated deficiencies in 1986.

Fees and Expenses of Witnesses. Witness safesite language is deleted in favor of similar language for the Marshals Service. If the transfer of the Protected Witness program is not approved, the language proposed for deletion from this appropriation should be restored.

United States Trustee System Fund. The appropriation "Salaries and expenses, oversight of bankruptcy cases" is replaced by the "United States Trustee System Fund" established by the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (P.L. 99-554). Although this Fund is intended to be self supporting from fees, appropriations are requested in 1987 and 1988 to establish a nationwide system.

Federal Bureau of Investigation. The number of passenger motor vehicles that can be purchased for police-type use without regard to the general purchase price limitation is increased from 1,579 to 2,000 and the number of replacement vehicles is increased from 1,450 to 1,650.

The 1987 appropriation act allowed up to $10,000,000 for automated data processing (ADP) and telecommunications and $1,000,000 for undercover operations to remain available for two fiscal years. A similar provision is repeated in the 1988 request which specifies that the funds should remain available until September 30, 1989.

New language is requested that would permit $13,000,000 to construct an Engineering Research Facility to remain available until expended.

New language is requested that would permit $11,358,000 requested for a language translation and recording system in the New York field office to remain available until expended.

Language relating to the collection and use of fingerprint fees is modified and the limitation on the crediting of receipts to the FBI is increased from $15,500,0000 to $17,500,000.

The proposed language would lift the authorization for official reception and representation expenses from $45,000 to $70,000.

The 1987 provision allowing $13,800,000 for the expansion and renovation of the New York field office to remain available until expended is deleted.

Drug Enforcement Administration. The number of passenger motor vehicles that can be purchased for police-type use without regard to the general purchase price limitation is decreased from 575 to 525. The number of replacement vehicles is held at 489.

New language is added that not to exceed $4,000,000 for contracting for ADP and telecommunications and not to exceed $2,000,000 for technical equipment shall remain available until September 30, 1989.

Language directing the establishment of a new office in Hilo, Hawaii is deleted because the office is already operational.

Language relating to the expenses of the training of State and local law enforcement officers at the FBI Academy, Quantico, Virginia is deleted as superfluous to the appropriation bill.

The language related to the "Construction" appropriation is deleted. No proposals relating to the construction of an "all source intelligence center" are contained in the 1988 request.

Immigration and Naturalization Service. The number of passenger motor vehicles that can be purchased for police-type use without regard to the general purchase price limitation is increased from 490 to 1,670. The number of motor vehicles for replacement is 490, the same as in 1987.

Language related to the purchase of uniforms is deleted because the pending authorization bill proposes a comprehensive change in uniform allowances.

Language prohibiting the closing of the Northern Regional Office at Fort Snelling is proposed for deletion.

Language is deleted that permitted funds earmarked for construction to be used to cover 1986 operating fund deficiencies.

Federal Prison System - Salaries and Expenses. The number of law enforcement and passenger motor vehicles that can be purchased is increased from 40 to 142. The number of motor vehicles which can be purchased for replacement is increased from 30 to 106.

Language related to the purchase of uniforms is deleted because the pending authorization bill proposes a comprehensive change in uniform allowances.

Office of Justice Programs - Justice Assistance. The 1988 request proposes the termination of the Juvenile Justice and the Mariel Cubans programs. Language associated with these programs is deleted.

Language limiting obligations from the victim compensation and assistance programs is deleted from the Justice Assistance appropriation and moved to the Crime Victims Fund.

Language included in the Omnibus Drug Supplemental Appropriations Act of 1987 for drug law enforcement grants and a pilot prison capacity study is proposed for deletion.

Office of Justice Programs - Crime Victims Fund. Language is included limiting obligations for victims compensation and assistance programs to $35,000,000.

72-165 O—87——2

1988 AUTHORIZATION BILL

The Department of Justice submitted its 1988 Authorization Bill to Congress on January 27, 1987. Title I of the bill authorizes the fifteen separate appropriations for the Department of Justice and contains specific authorizations for multiyear funding for certain activities as well as authority to pay for items such as uniform allowances and representation expenses. Title II of the bill contains permanent authorizing legislation for the Department. Title III of the bill contains additional permanent authorization and substantive legislation. Title IV of the bill contains provisions that will reduce funding for or eliminate certain programs administered by the Office of Justice Programs. Title V of the bill contains various provisions that would be enacted to conform the numbering of those statutes that would be affected by enactment of Title II and Title III of the bill.

The most significant items in the bill are contained in Title II. Foremost among these is permanent undercover authority for the Federal Bureau of Investigation, the Drug Enforcement Administration, the Immigration and Naturalization Service, and the Marshals Service. This authority allows the Department to ensure that undercover investigations conducted by these agencies do not violate otherwise applicable banking, appropriations, procurement, and government corporation laws.

Title II of the bill also contains the first systematic codification of the various financial authorities applicable to the Department as a whole or applicable to one or more of the Department's law enforcement bureaus. Most of these authorities were contained in the Department's 1980 annual authorization act and have been continued in effect by subsequent appropriations acts. In addition, Title II would provide the Department with gift acceptance authority, with authority to retain user fees to the extent specified in annual appropriations acts, and with authority to conduct law enforcement training overseas.

Title III of the bill contains additional permanent legislation, much of which pertains to the United States Marshals Service. This part of the bill contains provisions that were previously submitted to Congress as part of the proposed Marshals Service Act. In addition, Title III contains a provision granting general arrest authority to agents of the Immigration and Naturalization Service. It also contains a provision amending several criminal statutes so as to permit certain actions, e.g., seeking an immunity order, to be authorized by the Associate Attorney General.

Title IV of the bill repeals certain authorizing provisions relating to programs administered by the Office of Justice Programs. These provisions are submitted pursuant to the Administration's proposed budget and are consistent with the priorities established by the budget.

DEPARTMENT OF JUSTICE

1988 Estimates Compared with 1986 and 1987 Requirements
(In thousands of dollars)

Appropriation	1986 Actual Perm. Pos.	1986 Actual FTE	1986 Actual Obligations
General Administration	1,032	1,084	$67,689
Working Capital Fund	...	...	...
U.S. Parole Commission	175	162	9,215
Legal Activities:			
General Legal Activities	3,097	3,078	198,152
Antitrust Division	649	602	42,531
Foreign Claims Settlement Commission	16	11	600
U.S. Attorneys and Trustees	6,002	5,439	322,185
U.S. Attorneys	...	...	...
U.S. Marshals Service	2,624	2,605	145,001
Support of U.S. Prisoners	...	...	58,486
Fees and Expenses of Witnesses	...	...	43,823
Community Relations Service	118	119	32,699
U.S. Trustees System Fund	...	...	...
Total, Legal Activities	12,506	11,854	843,477
Organized Crime Drug Enforcement	20	4	873
Federal Bureau of Investigation	21,692	20,572	1,140,381
Drug Enforcement Administration	4,895	4,705	372,354
Immigration and Naturalization Service	11,694	11,656	574,343
Federal Prison System:			
Salaries and Expenses	10,876	10,270	549,344
National Institute of Corrections	41	44	14,468
Buildings and Facilities	57	69	132,532
Total, Federal Prison System	10,974	10,383	696,344
Office of Justice Programs	334	319	223,963
SUB-TOTAL, DEPARTMENT OF JUSTICE	63,322	60,739	3,928,639
Assets Forfeiture Fund	...	...	42,832
Immigration Legalization	...	...	...
Immigration User Fee	...	...	...
Crime Victims Fund	...	...	64,898
ICC Transfer to Antitrust	...	...	...
TOTAL, DEPARTMENT OF JUSTICE	63,322	60,739	4,036,369
Limitation:			
Federal Prison Industries, Inc	126	109	8,744
Reimbursable and Allocation FTE Workyears		2,460	

1987 Estimate			1988 Estimate			Increase or Decrease 1988 from 1987		
Perm. Pos.	FTE	Approp. Anticipated	Perm. Pos.	FTE	Amount	Pos.	FTE	Amount
1,261	1,160	$79,565	1,314	1,358	$103,513	53	198	$23,948
...	...	...	...	...	4,000	...	...	4,000
179	176	10,539	179	176	12,253	...	...	1,714
3,225	3,167	220,579	10,680	10,338	762,598	7,455	7,171	542,019
649	631	44,044	...	...	...	-649	-631	-44,044
9	9	571	9	9	510	...	...	-61
...	...	...	...	...	...	...	...	...
5,958	5,858	358,215	...	...	...	-5,958	-5,858	-358,215
2,724	2,794	164,850	2,948	2,933	216,092	224	139	51,242
...	...	69,630	...	...	76,914	...	...	7,284
...	...	52,187	...	...	37,359	...	...	-14,828
118	115	29,827	118	113	29,123	...	-2	-704
554	283	28,179	893	713	53,525	339	430	25,346
13,237	12,857	968,082	14,648	14,106	1,176,121	1,411	1,249	208,039
...	...	...	...	...	...	...	...	...
22,456	21,831	1,303,989	22,974	22,267	1,484,421	518	436	180,432
5,680	5,174	490,193	5,730	5,593	522,047	50	419	31,854
15,453	11,951	731,969	15,453	14,159	838,828	...	2,208	106,859
11,257	10,915	648,340	12,043	11,328	760,851	786	413	112,511
41	41	9,164	41	41	10,509	...	...	1,345
84	71	219,249	129	122	210,334	45	51	-8,915
11,382	11,027	876,753	12,213	11,491	981,694	831	464	104,941
323	331	416,059	287	301	78,303	-36	-30	-337,756
69,971	64,507	4,877,149	72,798	69,451	5,201,180	2,827	4,944	324,031
...	...	112,000	...	...	120,000	...	...	8,000
...	...	148,540	...	...	180,692	...	...	32,152
...	...	70,389	...	...	74,000	...	...	3,611
...	...	62,506	...	...	70,000	...	...	7,494
...	...	...	16	16	843	16	16	843
69,971	64,507	5,270,584	72,814	69,467	5,646,715	2,843	4,960	376,131
126	121	9,553	126	124	9,918	...	3	365
	4,835			7,329			2,494	

DEPARTMENT OF JUSTICE
Summary of Requirements
Analysis of overall 1988 increase
Dollars in thousands

	GENERAL ADMINISTRATION		BUILDING CAPITAL FUND		U.S. PAROLE COMMISSION		GENERAL LEGAL ACTIVITIES		FOREIGN CLAIMS SETTLEMENT FUNDING CODE		UNITED STATES MARSHALS SERVICE		SUPPORT OF U.S. PRISONERS		FEES AND EXPENSES OF WITNESSES		COMMUNITY RELATIONS SERVICE		U.S. TRUSTEES SYSTEM FUND		TOTAL LEGAL ACTIVITIES	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
1986 obligations*	1,032	$7,609	...	...	170	9,215	1,269	$153,192	36	$88	2,626	$48,804	...	$8,484	...	$3,823	138	$2,699	179	$9,878	12,386	$242,477
1987 as enacted	1,041	$7,609	...	...	170	$8,200	1,257	200,936	9	$84	2,726	$50,000	...	$8,484	...	$2,167	138	$9,637	172	$1,200	6,201	$321,822
Consolidation of accounts enacted in 1987	...	...	...	...	...	...	1,257	$96,000	...	...	...	...	...	...	...	...	...	...	...	...	1,257	$96,000
Carryover enacted	1,011	$7,609	...	...	170	$8,200	2,764	$467,936	9	$84	2,726	$79,000	...	$8,484	...	$2,167	138	$9,637	172	$1,200	12,888	$418,822
1987 increases to special funds	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1987 Program supplemental	230	$1,253	...	...	...	...	68	$,972	...	...	...	$85	...	$,630	...	...	...	$3	364	$6,436	429	$20,484
1987 Pay and retirement supplemental requested	...	1,353	...	...	...	239	...	$0,932	...	$	...	$,945	...	...	...	...	...	$99	...	$43	...	$3,779
1987 Rescission proposed	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1987 appropriation anticipated	1,264	79,569	...	...	170	$0,539	2,832	$22,238	9	$73	2,726	$64,889	...	$9,630	...	$2,167	138	$9,637	564	$8,179	13,257	$48,862
1988 estimate	1,314	$93,543	...	$,000	170	$2,253	$9,696	$63,041	9	$69	$,948	$16,892	...	$6,914	...	$7,329	138	$9,123	$93	$3,525	$4,664	$,176,964
Change 1988 from 1987	53	$3,940	...	$,000	0	$,714	864	$49,663	0	$(11)	224	$6,262	...	$,284	...	$(10,838)	0	$(764)	329	$5,346	$,627	$98,082
Adjustments to base and built-in changes																						
Savings resulting from management initiatives	...	...	...	...	...	...	$09	$4,473)	...	...	...	...	...	...	...	$(6)	...	...	$09	$4,317)		
Net transfers proposed for later transmittal	...	...	...	...	...	...	...	...	...	...	...	$7,511	...	...	...	$17,311)	...	...	...	...	...	...
Transfer of FY88 pcmp	$0	($87)	...	...	...	$	...	$44	...	...	...	$2	...	...	...	...	...	$	...	$	...	$99
Unobligated balances used to fund program in 1987	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Uncontrollable increases:																						
One additional compensable day	...	$6	...	...	...	23	...	$,422	...	$	...	$45	...	$,4	...	$	...	$2	...	$6	...	$,782
Annualization of program supplemental	...	$0,864	...	...	...	...	...	$,$26	...	...	...	...	...	$17	...	...	...	...	...	$4,000	...	$6,$33
Annualization of additional 1987 positions	...	...	...	...	...	...	...	$,$88	...	...	...	$98	...	...	...	...	...	...	...	$64	...	$,746
Annualization of Federal Employees Retirement System costs	...	$,$32	...	...	...	$12	...	$0,$88	...	$3	...	$,$84	...	...	...	...	...	$$	...	$94	...	$7,$30
Annualization of 1987 pay increase	...	$84	...	...	...	$7	...	$,734	...	$	...	$,$75	...	...	...	...	...	$99	...	$$6	...	$0,$79
Within-grade increases	...	$68	...	...	...	79	...	$,$9$	...	$	...	...	...	...	...	...	...	$6	...	$8	...	$,$85
Retirement contributions-Social Security @2	...	...	...	...	...	...	...	$$6	...	...	...	...	...	...	...	...	...	$7	...	...	...	$$3
Rent/are costs	...	...	...	...	...	$6	...	...	...	...	...	$3	...	...	...	...	...	...	...	...	...	$7
Locality based pay @$4%	...	$79	...	...	...	$66	...	$42	...	...	...	$$3	...	...	...	$$8	...	$9	...	$9	...	$,$56
Federal Employees Compensation Act @2 - Workers' Compensation	...	...	...	...	...	...	...	($3)	...	...	...	$60	...	...	...	...	...	...	...	...	...	$67
GSA Rent	...	$,$$0	...	...	...	$76	...	$$,$98	...	$1	...	$,$4$	...	...	...	...	...	$62	...	$69	...	$5,$66
GSA recurring reimbursable services	...	$4	...	...	...	$	...	$$	...	...	...	$3	...	...	...	...	...	$3	...	$	...	$$6
Federal Telecommunications System @$3)	...	$2	...	...	...	$6	...	$2	...	$	...	$$3	...	...	...	...	...	$6	...	$$	...	$,$73
Telephone service	...	$8	...	...	...	...	...	$$6	...	...	...	$	...	...	...	...	...	...	...	$	...	$37
GPO printing costs	...	...	...	...	...	$	...	$6	...	$	...	$	...	...	...	...	...	$	...	...	...	$09
Employee data and payroll services	...	$8	...	...	...	$	...	$06	...	$	...	$$	...	...	...	...	...	$	...	$	...	$26
Foreign allowances	...	...	...	...	...	...	...	$	...	...	...	...	...	...	...	...	...	...	...	...	...	$
Distributed Administrative Support	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Radio Wkend and media services	...	$1	...	...	...	...	...	$3	...	...	...	...	...	...	...	...	...	...	...	...	...	$6
General pricing level adjustment	...	$12	...	...	...	$42	...	$,$73	...	...	...	$38	...	$,$82	...	$29	...	$$3	...	$23	...	$,261
Administrative salary increase	...	...	...	...	...	...	...	$,$39	...	...	...	...	...	...	...	...	...	...	...	...	...	$,$30
Other	...	...	...	...	...	...	...	...	...	...	...	$67	...	...	...	...	...	...	...	$8	...	$65
Total, uncontrollable increases	...	$7,$63	...	...	...	$,$58	...	$9,$91	...	$7	...	$,$68	...	$,$99	...	$83	...	$,$38	...	$,$$$	...	$6,$37
Decreases	...	($79)	...	...	...	($6)	...	($,$79)	...	($8)	...	($$)	...	($,$68)	...	...	...	($$)	...	($,$69)	...	($0,$23)
Total, adjustments to base built-in changes	$9	$6,$84	...	...	...	$,$$6	$09	$6,$69	...	$($)	...	$3,$6$	...	$2,$6$	...	$($6,$28)	...	$,$96	...	$,$$6	$09	$6,$96
1988 base	1,$23	$5,$64	...	...	170	$2,$53	2,6	$70,$23	9	$69	2,$48	$97,$96	...	$7,$29	...	$6,$89	$38	$,$23	$$4	$9,$43	$,$86	$,$96,$76
Program changes																						
Staff and related expenses	$6	$,$67	...	...	...	$$8	729	$$,$75	...	...	$24	$6,$6$	...	...	...	...	...	...	$29	$6,$62	$,$62	$$9,$$8
Construction	...	...	...	...	...	...	...	...	...	...	...	$,$$$	...	...	...	...	...	...	...	...	...	$,$$$
Grants	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Other changes	...	...	...	$,$$$	...	...	...	...	...	...	...	...	...	$,$$$	...	$,$$$	...	...	...	...	...	$,$$$
Total, program changes	$6	$,$67	...	$,$$$	...	$$$	729	$$,$75	...	...	$24	$$,$$$	...	$,$$$	...	$,$$$	...	...	$29	$6,$62	$,$62	$29,$43
1988 estimate	$,$14	$93,$43	...	$,$$$	$70	$2,$53	$,$69	$62,$88	9	$69	2,$48	$$6,$92	...	$6,$14	...	$7,$29	$38	$9,$23	$93	$3,$25	$4,$68	$,$76,$23
Change 1988 from 1987	$3	$3,$40	...	$,$$$	0	$,$14	$$6	$39,$66	0	$($)	224	$6,$62	...	$,$84	...	$($0,$38)	0	$($64)	329	$5,$46	$,$$$	$98,$82

* Includes 1986 obligations for the Organized Crime and Drug Enforcement Task Force, Antitrust Div. and the U.S. Attorneys.

FEDERAL BUREAU OF INVESTIGATION		DRUG ENFORCEMENT ADMINISTRATION		IMMIGRATION AND NATURALIZATION SERVICE		FEDERAL PRISON SYSTEM		OFFICE OF JUSTICE PROGRAMS		TOTALS		ASSETS FORFEITURE FUND		INTERAGENCY CRIME AND DRUG ENFORCEMENT		CRIME VICTIMS FUND		TOTAL NEW AUTHORITY
Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
21,692	1,149,384	6,693	372,334	11,694	574,343	10,774	496,344	334	223,963	63,223	3,438,439	...	62,222	...	...	...	64,000	63,223	4,438,369
22,436	1,342,000	5,600	479,500	11,694	597,000	11,322	554,010	323	615,650	56,726	4,304,000	...	112,000	...	...	...	62,396	56,726	4,578,396
...	...	...	...	...	...	...	...	...	...	6,697	394,000	...	...	...	...	...	...	6,697	394,000
22,436	1,342,000	5,600	479,500	11,694	597,000	11,322	554,010	323	615,650	63,423	4,698,000	...	112,000	...	...	...	62,396	65,933	4,772,396
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	216,929	...	...	...	216,929
...	9,678	...	776	6,366	147,795	...	963	...	27	4,995	366,529	...	...	...	...	...	...	4,995	366,529
...	32,314	...	9,917	...	15,774	...	21,372	...	388	...	98,127	...	...	...	...	...	...	...	98,127
...	...	...	...	(385)	(24,000)	...	...	...	...	(385)	(24,000)	...	...	...	...	...	...	(385)	(24,000)
22,436	1,365,989	5,600	490,193	15,453	734,569	11,322	576,752	323	616,039	68,971	5,077,109	...	112,000	...	216,929	...	62,396	69,971	5,379,504
22,974	1,484,421	5,739	522,847	15,453	838,639	12,313	598,694	327	78,365	72,814	5,362,625	...	139,000	...	254,692	...	70,000	72,814	5,646,715
246	488,432	39	31,854	0	96,889	854	104,941	(36)	(537,756)	2,843	284,854	...	8,000	...	35,763	...	7,994	2,843	276,134
(200)	(7,000)	(26)	(911)	...	(2,172)	...	...	...	...	(4)	(1000)	(153)	(16,000)	...	...	...	...	(153)	(16,000)
...	...	...	...	...	...	...	...	...	...	...	...	16	863	...	...	...	...	16	863
...	...	...	...	...	39	...	214	...	1	60	453	...	...	...	...	...	...	60	453
...	...	...	...	...	...	...	...	...	11,600	...	11,600	...	...	...	...	...	...	...	11,600
..	3,923	...	732	...	3,327	...	1,302	...	90	...	8,190	...	...	...	...	...	...	...	8,190
...	...	...	...	...	79,300	...	...	...	...	...	106,600	...	...	...	...	...	...	...	106,600
...	3,300	...	11,101	...	...	...	2,026	...	...	...	22,321	...	...	...	...	...	...	...	22,321
...	38,829	...	16,357	...	37,343	...	29,470	...	600	...	163,539	...	...	...	...	...	...	...	163,539
...	18,692	...	4,206	...	9,748	...	7,932	...	330	...	32,725	...	...	...	...	...	...	...	32,725
...	6,455	...	1,838	...	3,992	...	3,114	...	113	...	17,869	...	...	...	...	...	...	...	17,869
...	...	...	36	...	...	...	...	...	...	...	167	...	...	...	...	...	...	...	167
...	254	...	7	...	...	...	...	...	...	...	270	...	...	...	...	...	...	...	270
...	1,000	...	2,000	...	650	...	713	...	25	...	8,948	...	...	...	...	...	...	...	8,948
...	939	...	172	...	1,195	...	564	...	(114)	...	3,044	...	...	...	...	...	...	...	3,044
...	14,672	...	4,784	...	10,264	...	649	...	306	...	48,126	...	...	...	...	...	...	...	48,126
...	354	...	304	...	198	...	13	...	8	...	727	...	...	...	...	...	...	...	727
...	388	...	617	...	1,489	...	268	...	39	...	3,389	...	...	...	...	...	...	...	3,389
...	1,000	...	43	...	34	...	33	...	23	...	1,962	...	...	...	...	...	...	...	1,962
...	66	...	13	...	117	...	8	...	16	...	397	...	...	...	...	...	...	...	397
...	...	...	213	...	997	...	626	...	25	...	1,720	...	...	...	...	...	...	...	1,720
...	...	...	324	...	742	...	...	...	...	...	1,071	...	...	...	...	...	...	...	1,071
...	...	...	702	...	324	...	...	...	...	...	1,066	...	...	...	...	...	...	...	1,066
...	...	...	...	...	3	...	...	...	3	...	306	...	...	...	...	...	...	...	306
...	11,676	...	2,971	...	10,162	...	9,526	...	1,416	...	64,391	...	...	...	...	...	...	..	64,391
...	...	...	...	...	...	...	...	...	...	...	5,600	...	...	...	...	...	...	...	5,600
...	...	...	...	...	...	...	498	...	...	...	669	...	...	...	3,663	...	...	...	4,271
...	121,340	...	48,794	...	146,716	...	57,242	...	2,074	...	492,167	...	...	...	3,663	...	...	...	995,778
...	(11,391)	...	(48,341)	...	(57,365)	(6)	(267,925)	...	(24)	(6)	(315,152)	...	...	...	...	...	...	(6)	(315,152)
(200)	104,457	(26)	7,362	...	96,889	(6)	(159,291)	(6)	14,364	(159)	179,268	...	...	...	3,663	...	...	(159)	682,986
22,236	1,466,446	5,613	497,958	15,453	838,639	11,316	736,043	317	630,403	68,812	5,684,494	...	112,000	...	222,592	...	62,396	69,812	6,062,340
748	69,279	148	24,382	...	...	788	97,886	(23)	(1,623)	2,943	270,673	...	...	...	...	...	...	2,943	270,673
...	...	...	...	...	...	34	198,629	...	...	34	176,948	...	...	...	...	...	...	34	176,948
...	...	...	...	...	...	...	...	...	(123,988)	...	(122,988)	...	...	...	...	...	...	...	(122,988)
...	13,500	...	...	...	...	...	...	...	(236,888)	...	(178,388)	...	8,000	...	32,132	...	7,994	...	(130,362)
748	78,779	148	24,382	...	...	827	288,222	(23)	(362,138)	2,994	148,529	...	8,000	...	32,132	...	7,994	2,994	198,173
22,974	1,484,421	5,739	522,847	15,453	838,639	12,313	984,694	327	78,365	72,814	5,362,625	...	139,000	...	254,692	...	70,000	72,814	5,646,715
246	488,432	39	31,854	0	96,889	854	104,941	(36)	(537,756)	2,843	284,854	...	8,000	...	35,763	...	7,994	2,843	276,134

DEPARTMENT OF JUSTICE
SALARIES AND EXPENSES, GENERAL ADMINISTRATION

Analysis of an Increase of $ 23,948 thousand
(Dollars in thousands)

	PROGRAM DIRECTION AND POLICY COORDINATION											
	DEPARTMENT LEADERSHIP / a		EXECUTIVE SUPPORT / b		OFFICE, POLICY PREPARATION, RESPONSIBILITY / c		JUSTICE MANAGEMENT DIVISION		ADMINISTRATIVE REVIEW & APPEALS / d		TOTAL / e	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
1986 obligations	56	4,862	71	5,934	22	1,679	385	39,916	298	15,390	1,032	67,689
1987 as enacted	56	5,140	71	5,295	22	1,302	364	38,230	298	16,833	1,011	67,800
1987 Program supplemental	...	210	...	164	...	45	50	6,504	200	6,200	250	11,212
1987 Pay and retirement supplemental requested	...	103	...	172	...	38	...	760	...	300	...	1,353
1987 appropriation anticipated	56	5,457	71	5,631	22	1,385	414	43,474	498	23,418	1,261	79,565
1988 estimate	60	6,689	92	8,157	24	2,039	427	51,581	511	35,047	1,314	103,513
Change 1988 from 1987	4	1,232	21	2,526	2	654	13	8,107	13	11,629	53	23,948
Adjustments to base and built-in changes												
Savings resulting from management initiatives	...	...	...	...	...	...	(6)	(241)	...	...	(6)	(241)
Transfer of FADE group	...	...	...	...	...	...	(8)	(390)	...	3	(8)	(387)
Uncontrollable increases:												
One additional compensable day	...	10	...	11	...	3	...	91	...	66	...	161
Annualization of program supplemental	...	...	...	...	...	...	...	3,574	...	9,290	...	10,864
Annualization of Federal Employees' Retirement System costs	...	159	...	271	...	62	...	1,161	...	479	...	2,132
Annualization of 1987 pay increase	...	66	...	113	...	24	...	485	...	193	...	881
Within-grade increases	...	23	...	27	...	11	...	207	...	100	...	368
Locality based pay diff	...	18	...	10	...	3	...	93	...	69	...	195
GSA Rent	...	165	...	109	...	38	...	946	...	330	...	1,028
GSA recurring reimbursable services	...	2	...	...	...	...	...	11	...	1	...	14
Federal Telecommunications System (FTS)	...	9	...	7	...	6	...	36	...	2	...	52
Telephone service	...	8	...	6	...	2	...	39	...	...	...	55
Employee data and payroll services	...	2	...	6	...	2	...	27	...	13	...	50
Audio Visual and media services	...	9	...	5	...	...	...	6	...	1	...	21
General pricing level adjustment	...	31	...	24	...	2	...	426	...	129	...	612
Total, uncontrollable increases	...	502	..	639	...	153	...	5,098	...	10,671	...	17,063
Decreases:												
Reduction for change in hourly rate	...	(81)	...	(71)	...	(31)	...	(461)	...	(231)	...	(102)
Reduction in per page cost of FR and CFR	...	(1)	...	...	...	...	...	(1)	...	...	...	(7)
Reduction in Health Benefits	...	(2)	...	(6)	...	(2)	...	(40)	...	(21)	...	(71)
Total, decreases	...	(13)	...	(13)	...	(5)	...	(102)	...	(44)	...	(175)
Total, adjustments to base built-in changes	...	991	...	626	...	148	(12)	4,165	...	10,630	(12)	16,060
1988 base	56	5,948	71	6,257	22	1,733	402	47,639	498	34,048	1,249	95,629
Program changes	4	741	21	1,900	2	306	25	3,942	13	999	65	7,886
1988 estimate	60	6,689	92	8,157	24	2,039	427	51,581	511	35,047	1,314	103,513
Change 1988 from 1987	4	1,232	21	2,526	2	654	13	8,107	13	11,629	53	23,948

a Includes the Offices of the Attorney General, Deputy Attorney General and Associate Attorney General.

b Includes the Offices of Legal Policy, Public Affairs, Legislative Affairs and Liaison Services.

c Includes the Offices of Intelligence Policy and Review and Professional Responsibility.

d Includes the Executive Office for Immigration Review and the Office of Pardon Attorney.

e Includes obligations from the Office of Federal Justice Research Programs for 1986 only.

GENERAL ADMINISTRATION, SALARIES AND EXPENSES
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	1,032	$67,689
1987 as enacted	1,011	67,000
1987 pay and retirement supplementals requested	...	1,353
1987 program supplemental requested[1]/	250	11,212
1987 appropriation anticipated	1,261	79,565
Transfer to the Working Capital Fund for Financial and Administrative Systems Support Group	-8	-587
Savings resulting from management initiatives	-4	-241
Uncontrollable increases (see p. 15)	...	17,063
Decreases (see p. 15)	...	-175
1988 base	1,249	95,625
Program changes (detailed below)	65	7,888
1988 estimate	1,314	103,513

Comparison by activity and program	1988 Base Perm. Pos.	1988 Base Amount	1988 Estimate Perm. Pos.	1988 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. Program direction and policy coordination:						
a. Department Leadership	56	$5,948	60	$6,689	4	$741
b. Executive Support:	71	6,257	92	8,157	21	1,900
c. Intelligence Policy and Professional Responsibility	22	1,733	24	2,039	2	306
d. Justice Management Division	602	47,639	627	51,581	25	3,942
Subtotal	751	61,577	803	68,466	52	6,889
2. Administrative Review and Appeals	498	34,048	511	35,047	13	999
Total	1,249	95,625	1,314	103,513	65	7,888

[1]The program supplemental requested includes 200 positions and $5,823,000 for workload associated with the Immigration Reform and Control Act of 1986, 16 positions and $557,000 for support of the U.S. Trustees Nationwide expansion, 22 positions and $2,234,000 for Private Counsel to implement debt collection policy, 12 positions and $550,000 for security initiatives for the National Security Emergency Preparedness Program, the Crisis Management Facility and enhancement of security in the main building, $762,000 for relocation costs associated with the forced move of Justice Employees to the Bond Building, and $106,000 and $1,180,000 for increased costs for the Federal Telecommunications System (FTS) and GSA rent costs, respectively.

GENERAL ADMINISTRATION, SALARIES AND EXPENSES
(Dollars in thousands)

Program changes	Perm. Pos.	Amount
Department Leadership..... Program changes of 4 positions and $741,000 are requested for the Department Leadership program to: provide adequate policy and program guidance, oversight and control to the organizations which implement the more than 150 Department of Justice Programs; and to implement a uniform office automation system.	4	$741
Executive Support..... The Administration recognizes that there is a structural deficit within the General Administration appropriation and it has authorized the Department to seek the necessary resources to fund current on-board personnel in this program. Therefore, the budget reflects program changes of 21 positions and $1,900,000 for programs within the Executive Support program: 14 positions and $625,000, and 7 positions and $575,000 are requested for the Offices of Public Affairs and Legislative Affairs, respectively. In addition, $700,000 is requested for the Executive Support offices' participation in the Department's uniform office automation system.	21	1,900
Intelligence Policy and Professional Responsibility..... A program change of 2 positions and $106,000 is included to meet increased foreign intelligence and counterintelligence related workload in the Office of Intelligence Policy and Review. Additionally, resources of $200,000 are included to support the uniform office automation system for offices in this program.	2	306
Justice Management Division..... A program increase of 6 positions and $300,000 is requested for increased Department security, $813,000 is requested for building maintenance and repair, and $1,629,000 is requested to support a uniform office automation system in the Justice Management Division. Additionally, increases of 7 positions and $500,000 and 12 positions and $700,000 are requested to provide direct resources to support the Task Force Administrative Unit of the Organized Crime Drug Enforcement Program and the Office of Attorney Personnel Management, respectively.	25	3,942
Administrative Review and Appeals..... A program increase of 13 positions and $999,000 is included to provide the Executive Office for Immigration Review with resources to continue implementing the Automated Nationwide System for Immigration Review, and to address the Board of Immigration Appeals workload and case backlog.	13	999
Total program changes, General Administration.....	65	7,888

WORKING CAPITAL FUND
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	...	...
1987 as enacted	...	...
1988 base	...	...
Program changes (detailed below)	...	$4,000
1988 estimate	...	4,000

	1988 Base		1988 Estimate		Inc./Dec.	
	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
Comparison by activity and program						
1. Working Capital Fund	...	...	...	$4,000	...	$4,000

Program Changes	Perm. Pos.	Amount
Working Capital Fund	...	$4,000

The Working Capital Fund is requesting an appropriation (a capital appropriation) of $4,000,000 to relocate the Washington, D.C. Data Center and to consolidate separate data communications networks into a single network. Additional capitalization of the Fund is necessary because current assets are inadequate. The relocation would provide increased physical security and data processing capacity and the near total facility reliability for the continued growth of the litigation, investigative, law enforcement, and immigration user systems. The communications' funding would allow the Department to begin the consolidation of the Department's five major telecommunications networks into a single National Telecommunications Network that will be monitored by a centralized management network control facility.

This National Justice Telecommunications Network will reduce the costly duplication of communications facilities for autonomous and application-specific networks; minimize exposure to increasing tariffs; and improve operational efficiency.

U.S. PAROLE COMMISSION, SALARIES AND EXPENSES
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	175	$9,215
1987 as enacted	179	10,300
1987 pay and retirement supplementals requested	...	239
1987 appropriation anticipated	179	10,539
Uncontrollable increases (see p. 12)	...	1,138
Decreases:		
Reduction in hourly rate	...	-18
Reduction in page cost of FR and CFR	...	-1
Reduction in health benefits costs	...	-5
1988 base	179	11,653
Program changes	...	600
1988 estimate	179	12,253

Comparison by activity and program	1988 Base Perm. Pos.	1988 Base Amount	1988 Estimate Perm. Pos.	1988 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. U.S. Parole Commission						
Parole	179	$11,653	179	$12,253	...	$600

Program changes	Perm. Pos.	Amount
U.S. Parole Commission	...	$600

For 1988, an increase of $600,000 for three program initiatives is requested. The increase will provide funding for six reimbursable examiner/analyst positions ($200,000), the relocation of professional staff in the field and central offices ($300,000) and provide for additional funding requirements for contract typists ($100,000). These increases will enable the Commission to continue to meet statutory requirements of providing hearings to all federal prisoners.

BALANCES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Analysis of an Increase of $ 140,166 Thousand
(Dollars in Thousands)

	SOLICITOR GENERAL		TAX DIVISION		CRIMINAL DIVISION		CIVIL DIVISION		LANDS & NATURAL RESOURCES DIV.		OFFICE OF LEGAL COUNSEL		CIVIL RIGHTS DIVISION	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
1986 obligations	65	3,947	630	32,419	735	63,339	832	70,705	347	30,869	35	1,520	404	22,304
1987 as enacted	69	3,786	630	33,456	769	66,998	868	75,784	349	33,195	35	2,388	404	23,402
Consolidation of accounts enacted in 1987	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Revised enacted	69	3,786	630	33,456	769	66,998	868	75,784	349	33,195	35	2,388	404	23,402
1987 Program supplemental requested	...	32	...	298	...	1,479	34	1,977	...	217	0	147	...	232
1987 Pay and retirement supplementals requested	...	73	...	438	...	999	...	1,115	...	977	...	42	...	497
1987 appropriation anticipated	69	3,861	630	34,192	769	67,421	902	76,863	349	33,909	35	2,443	404	23,736
1988 estimate	69	4,331	691	48,466	864	84,151	1,916	99,104	373	42,927	39	2,872	466	26,772
Change 1988 from 1987	0	470	32	14,077	45	8,730	114	22,291	24	9,018	0	427	(4)	3,036
Adjustments to base														
Savings resulting from management initiatives	...	...	(38)	(953)	...	...	...	...	...	...	...	...	(4)	(300)
Net transfers proposed for later transmittal	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Transfer of PMIS group	...	...	...	21	...	61	...	84	...	15	...	...	...	6
Uncontrollable increases														
One additional compensable day	...	9	...	129	...	126	...	384	...	38	...	5	...	48
Annualization of program supplemental	...	5	...	48	...	106	...	1,732	...	32	...	124	...	37
Annualization of additional FY87 positions	...	...	...	197	...	492	...	389	...	288	...	...	...	...
Annualization of Federal Employees' Retirement System costs	...	115	...	1,219	...	1,262	...	1,825	...	903	...	72	...	635
Annualization of FY87 pay increase	...	68	...	688	...	781	...	892	...	348	...	31	...	379
Within-grade increases	...	34	...	298	...	336	...	422	...	143	...	39	...	163
Retirement contributions-Social Security OPM3B	...	...	...	5	...	62	...	...	...	...	...	10	...	8
Medicare costs	...	...	...	1	...	9	...	...	...	...	...	5	...	1
Locality based pay plan	...	...	...	73	...	229	...	357	...	138	...	14	...	41
Federal Employees' Compensation Act (FECA) - Workers' Compensation	...	...	...	...	...	...	...	...	...	...	...	...	...	...
ADP Cost	...	78	...	489	...	1,172	...	1,194	...	546	...	67	...	347
GSA recurring reimbursable services	...	1	...	4	...	11	...	11	...	5	...	1	...	3
Federal Telecommunications System (FTS)	...	...	...	49	...	66	...	53	...	22	...	...	...	30
Telephone service	...	4	...	39	...	63	...	57	...	32	...	2	...	28
GPO printing costs	...	14	...	...	...	3	...	2	...	3	...	60	...	1
Employee data and payroll services	...	2	...	26	...	29	...	26	...	19	...	10	...	9
Foreign Allowances	...	...	...	...	...	...	...	5	...	...	...	...	...	...
Audio Visual and mail services	...	1	...	6	...	8	...	17	...	15	...	10	...	5
General pricing level adjustment	...	7	...	214	...	176	...	1,443	...	104	...	15	...	256
Administrative salary increase	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total, uncontrollable increases	...	317	...	3,365	...	5,139	...	8,789	...	2,386	...	387	...	2,448
Decreases														
Reduction for change in hourly rate	...	(3)	...	(428)	...	(389)	...	(1699)	...	(88)	...	(11)	...	(34)
Reduction in per copy cost of PR and CPR	...	...	...	...	...	...	...	...	..	(3)	...	...	...	(1)
Nonrecurring costs - background investigation	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Nonrecurring costs - program supplementals	...	...	...	...	...	(822)	...	...	...	...	...	...	...	...
Nonrecurring costs - equipment	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Reduction in Health Benefits	...	(3)	...	(459)	...	(371)	...	(453)	...	(258)	...	(11)	...	(31)
Total, decreases	...	(6)	...	(91)	...	(1580)	...	(232)	...	(82)	...	(2)	...	(66)
Total, adjustments to base	...	312	(38)	3,180	...	6,364	...	8,712	...	2,349	...	388	(4)	2,256
1988 base	69	4,173	621	37,697	769	84,462	902	88,578	348	36,428	39	2,838	400	25,972
Program changes	...	158	70	10,977	45	4,969	114	13,579	26	6,499	...	42	...	800
1988 estimate	69	4,331	691	48,466	864	84,151	1,916	99,104	373	42,927	39	2,872	466	26,772
Change 1988 from 1987	0	470	32	14,077	45	8,730	114	22,291	24	9,018	0	427	(4)	3,036

* Includes 1986 obligations for the Antitrust Division and the U.S. Attorneys.

[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount *
44	2,737	...	250	...	...	649	62,331	5,823	312,060	...	...	9,869			883,975
44	2,487	...	...	...	1,337	...	...	...	...	...	...	3,137			208,934
...	...	...	...	...	...	649	62,000	5,920	301,000	...	...	6,667			394,000
44	2,987	...	...	...	1,337	649	62,000	5,920	301,000	...	...	9,754			602,934
...	23	...	2,000	...	...	...	299	...	887	30	1,239	68			8,972
...	67	...	...	...	...	...	748	...	6,328	...					10,932
44	3,087	...	2,000	...	1,337	647	64,000	5,920	308,215	30	1,289	9,832			622,838
35	3,039	...	...	..	24,718	360	46,001	6,431	413,828	60	4,238	10,896			763,041
12	700	...	(2,000)	...	23,181	(89)	2,357	573	35,340	30	2,876	864			140,665
...	...	...	...	...	...	...	...	131	(6,178)	...	...	169			(4,471)
...	...	...	...	...	...	16	843	...	...	...	...	16			843
...	6	...	...	...	...	...	6	...	67	...	...	...			344
...	2	...	...	...	...	...	118	...	704	...	...	...			1,423
...	8	...	...	...	...	...	43	...	...	...	...	...			2,124
...	...	...	...	...	...	...	...	...	1,396	...	561	...			3,388
...	73	...	...	...	...	...	1,386	...	10,973	...	...	...			18,388
...	35	...	...	...	...	...	579	...	5,262	...	...	...			8,734
...	7	...	...	...	...	...	264	...	631	...	...	...			2,091
...	...	...	...	...	...	...	...	...	69	...	...	...			114
...	...	...	...	...	...	...	...	...	18	...	...	...			26
...	2	...	...	...	...	...	67	...	46	...	...	...			767
...	...	...	...	...	...	...	...	...	(933)	...	...	...			(933)
...	64	...	...	...	...	...	940	...	6,114	...	...	...			11,570
...	1	...	...	...	...	...	17	...	32	...	...	...			112
...	10	...	...	...	...	...	46	...	473	...	...	...			757
...	6	...	...	...	...	...	91	...	97	...	...	...			330
...	1	...	...	...	...	...	...	...	30	...	...	...			98
...	3	...	...	...	...	...	36	...	200	...	...	...			308
...	...	...	...	...	...	...	...	...	...	...	...	...			3
...	...	...	...	...	...	...	3	...	13	...	...	...			73
...	30	...	..	...	...	...	317	...	720	...	...	...			3,472
...	...	...	..	...	...	...	...	...	5,458	...	...	...			5,458
...	229	..	...	..	...	...	3,737	...	33,865	...	561	...			59,591
...	(3)	...	...	...	...	...	(73)	...	(673)	...	...	...			(849)
...	...	...	...	...	...	...	(3)	...	...	...	...	...			(3)
...	...	...	...	...	...	...	...	...	(388)	...	...	...			(388)
...	...	...	(2,000)	...	...	...	...	...	...	...	...	...			(2,822)
...	...	...	...	...	...	...	...	...	(388)	...	...	...			(388)
...	(3)	...	...	...	...	...	(62)	...	(2,111)	...	...	...			(4,444)
...	(3)	...	(2,000)	...	...	...	(138)	...	(7,388)	...	...	...			(9,179)
...	240	...	(2,000)	...	...	16	4,466	131	27,216	...	561	125			52,838
44	3,297	...	0	...	1,337	666	66,568	6,089	335,431	30	1,950	9,957			674,866
12	940	...	...	...	23,181	(600)	(2,000)	342	20,124	30	2,115	739			88,575
56	3,839	...	0	...	24,718	366	46,001	6,431	413,828	60	4,238	10,896			763,041
12	700	...	(2,000)	...	23,181	(89)	2,357	573	35,340	30	2,876	864			140,665

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	3,097	$198,152
1987 as enacted	3,157	208,934
1987 pay and retirement supplementals requested	...	10,932
1987 program supplemental requested	68	8,972
Proposed consolidation of accounts:		
Antitrust Division	649	43,000
U.S. Attorneys	5,958	351,000
1987 appropriation anticipated	9,832	662,838
Savings due to management initiatives	109	-4,471
Transfers from other organizations:		
Transfer from the Interstate Commerce Commission (later transmittal)	16	843
Transfer of Financial and Administrative Systems Support (Group)	...	244
Uncontrollable increases (see p. 19)	...	59,591
Decreases (see p. 19)	...	-4,179
1988 base	9,957	674,866
Program changes (detailed below)	739	88,575
1988 estimate	10,696	763,441

Comparison by activity and program	1988 Base Perm. Pos.	1988 Base Amount	1988 Estimate Perm. Pos.	1988 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. Conduct of Supreme Court proceedings and review of appellate matters	49	$4,173	49	$4,331	...	$158

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Comparison by activity and program	1988 Base Perm. Pos.	1988 Base Amount	1988 Estimate Perm. Pos.	1988 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
2. General tax matters:						
Federal appellate activity...	101	5,801	113	8,149	12	2,348
Criminal tax prosecution.....	104	7,132	110	7,903	6	771
Civil tax litigation activity	311	18,750	357	25,919	46	7,169
Organized crime drug enforcement.....	14	1,025	20	1,714	6	689
Management and administration	91	4,781	91	4,781	...	...
Subtotal.....	621	37,489	691	48,466	70	10,977
3. Criminal matters:						
Federal appellate activity...	28	$1,992	28	$1,992	...	...
Organized crime prosecution..	249	16,770	273	19,161	24	$2,391
Public integrity (corruption)	34	2,465	34	2,610	...	145
Fraud.....	80	5,814	86	6,498	6	684
Narcotic and dangerous drug prosecution.....	35	2,362	35	2,530	...	168
Internal security.....	30	2,150	30	2,245	...	95
General litigation and legal advice.....	52	3,717	56	4,194	4	477
Office of special investigations.....	47	3,547	47	3,547	...	...
Prosecution support.....	125	7,166	136	7,675	11	509
Organized crime drug enforcement.....	6	632	6	632	...	...
Management and administration	83	5,067	83	5,067	...	...
Subtotal.....	769	51,682	814	56,151	45	4,469
4. Claims, customs, and general civil matters:						
Federal appellate activity...	67	5,629	101	7,960	34	2,331
Tort litigation.....	210	28,083	230	32,036	20	3,953
Commercial litigation.....	298	27,747	327	32,239	29	4,492
Federal programs.....	151	11,733	171	13,146	20	1,413
Consumer litigation.....	35	2,323	35	2,323	...	...
Immigration litigation.....	40	3,956	51	5,346	11	1,390
Management and administration	101	6,104	101	6,104	...	...
Subtotal.....	902	85,575	1,016	99,154	114	13,579
5. Land, natural resources and Indian matters:						
Federal appellate activity...	27	1,836	27	1,836	...	...
Land acquisition.....	34	2,610	34	2,610	...	...
Environmental protection.....	145	10,740	159	15,519	14	4,779
General litigation.....	110	8,588	122	10,308	12	1,720
Management and administration	33	2,654	33	2,654	...	...
Subtotal.....	349	26,428	375	32,927	26	6,499

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Comparison by activity and program	1988 Base Perm. Pos.	1988 Base Amount	1988 Estimate Perm. Pos.	1988 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
6. Legal opinions	39	2,830	39	2,872	...	42
7. Civil rights matters:						
Federal appellate activity	32	2,057	32	2,057	...	...
Civil rights prosecution	45	2,912	45	2,912	...	...
Special litigation	35	2,620	35	2,740	...	120
Voting	68	3,750	68	4,030	...	280
Employment litigation	63	4,090	63	4,490	...	400
Coordination and review	39	2,557	39	2,557	...	...
Housing and civil enforcement	33	2,062	33	2,062	...	...
Educational opportunities	31	2,033	31	2,033	...	...
Management and administation.	54	3,911	54	3,911	...	...
Subtotal	400	25,992	400	26,792	...	800
8. INTERPOL-USNCB	44	$3,299	56	$3,839	12	$540
9. Independent Counsel	...	...	...	...	...	...
10. Legal Activities Office Automation	...	1,537	...	24,718	...	23,181
11. Enforcement of antitrust and kindred laws:						
Federal appellate activity	23	1,355	16	1,227	-7	-128
Termination and prevention of private cartel behavior	222	16,622	215	16,475	-7	-147
Preservation of competitive market structure	164	16,687	157	16,566	-7	-121
Policy analysis, legislation and training	92	5,479	60	4,751	-32	728
Competition advocacy	75	3,944	50	3,373	-25	-571
Management and administration	89	4,423	67	4,009	-22	-414
Subtotal	665	48,510	565	46,401	-100	-2,109
12. U.S. Attorneys:						
Criminal Litigation	3,317	212,583	3,735	233,728	418	21,145
Civil Litigation	2,099	121,987	2,179	125,957	80	3,970
Legal education	20	2,833	20	3,285	...	452
OCDE	519	32,376	563	34,933	44	2,557
Management and administration.	134	15,652	134	15,652	...	...
Subtotal	6,089	385,431	6,631	413,555	542	28,124
13. Special counsel for discrimination	30	1,920	60	4,235	30	2,315
Total	9,957	674,866	10,696	763,441	739	88,575

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Program changes	Perm. Pos.	Amount
Conduct of Supreme Court proceedings and review of appellate matters.....	...	$158
The Office of Solicitor General is requesting an increase of $158,000 to buy-out existing computer equipment and expand the existing case-tracking system. This will allow the Office to ultimately link or network the entire office and do away with a partially manual case-tracking system.		
General tax matters.....	70	$10,977
In 1988, the Tax Division is requesting increases of 10 positions and $2,151,000 as a result of the Tax Reform Act of 1986, which represents the first major transformation of the U.S. tax system in thirty years. Sixty positions and $8,826,000 are requested as a result of recent legislation that substantially expands the Internal Revenue Service's resources. The areas of increase requested for the Tax Division are: refund and appellate litigation as a result of the Internal Revenue Service (IRS) initiative to reduce backlogs; collection related activity to support the IRS and organized crime and drug enforcement-type litigation to support efforts of additional IRS Special agents. Under the new provisions related to "personal interest" of the Tax Reform Act of 1986, the Tax Division anticipates a large increase in refund claims by taxpayers who prepay their deficiencies and interest in order to receive the deduction and then file for a refund in the U.S. Court of Claims or the U.S. District Court. Civil trial and appellate litigation will increase as a result of this legislation.		
Criminal matters.....	45	4,469
The Criminal Division is requesting a program increase of 45 positions, 33 full-time equivalent (FTE) workyears and $4,469,000 to combat organized crime, terrorism and procurement fraud. More specifically, 24 positions, 18 FTE workyears, and $2,391,000 will be devoted to increasing organized crime prosecutions and addressing the recommendations of the President's Commission on Organized Crime. In addition, 15 positions, 11 FTE workyears and		

Program changes	Perm. Pos.	Amount
$986,000 are being requested in the terrorism area to provide legal advice to representatives and policy-makers responsible for responding to international terrorist incidents. Enhancements totaling six positions, four FTE workyears and $684,000 are also being requested to address the increased workload in the Department of Defense procurement fraud area. Damages paid to the U.S. Government have already totaled millions of dollars. Additional resources totaling $408,000 are also requested for the public integrity, narcotics and internal security program areas.		
Claims, customs and general civil matters.....	114	13,579
The Civil Division is requesting a program increase of 114 positions, 72 FTE workyears, and $13,579,000 to handle enormous increases in workload in its defensive and affirmative litigation programs and to enable it to cope with the additional litigation which is expected as a result of passage of the Immigration Reform and Control Act of 1986 and the civil anti-fraud legislation enacted by the 99th Congress. The increases requested include 34 positions and $2,331,000 for cumulative workload increases in the Federal Appellate program over several years; 20 positions and $3,953,000 to defend adequately against the unprecedented number of suits against the United States in the Torts program; 29 positions and $4,492,000 to allow the Commercial Litigation program to recover monies owed to the Government; 20 positions and $1,413,000 to enable the Federal Programs branch to effectively defend against challenges to efficient operation of federal agencies; and 11 positions and $1,390,000 for the Immigration Litigation program to handle the influx of new cases anticipated because of the Immigration Reform and Control Act of 1986.		
Land, Natural Resources and Indian matters.....	26	$6,499
For 1988, the Land and Natural Resources Division is requesting an increase of 26 positions and $6,499,000. For the Environmental Protection program, 14 positions and $4,779,000 are requested to fund an expected growth in caseload of approximately 400 cases that will result from new		

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Program changes	Perm. Pos.	Amount
programs under the Resource Conservation and Recovery Act, the Safe Drinking Water Act and the Clean Air and Water Acts. Also, 12 positions and $1,720,000 are requested for the General Litigation program to fund increased activity due to the initiation of new activities which include programs under the National Forest Management Act; Federal Water Rights Litigations in several western states and the Navy Port Dispersal Plan for major new construction at ten nationwide sites.		
Office of Legal Counsel.....	...	42
This requested increase will provide resources to allow for the production and publication of Presidential Emergency Action Documents (PEAD's).		
Civil Rights matters.....	...	800
For 1988, the Civil Rights Division is requesting an increase of $800,000 to allow the Division to hire outside consultants to conduct specialized analyses and to develop complex data bases. The additional resources will be spread across three program areas: Special Litigation ($120,000), Voting ($280,000) and Employment Litigation ($400,000).		
INTERPOL-USNCB.....	12	540
For 1988, the Department is requesting 12 positions, 9 FTE and $540,000 to enable the USNCB to fully implement a 24-hour per day operation. The additional resources will speed the processing of investigative information between international and domestic law enforcement agencies.		
Legal activities office automation.....	...	$23,181
An increase of $23,181,000 is requested to fund office automation projects for the Department's litigating components. Under this proposal, automation requirements are centrally coordinated, developed and funded on a priority basis. In 1988, a major investment will be made for a joint systems procurement involving the U.S. Attorneys and the Tax and Criminal Divisions. This system involves an initial installation of 5,000 terminals with		

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Program changes	Perm. Pos.	Amount
eventual expansion to 12,000 terminals in a nation-wide communications network. Implementation of a joint office automation acquisition program will end proliferation of incompatible systems which now preclude the rapid and efficient transfer of information, documents, and work products among thelitigating components. This increase allows the Department to proceed with enhancements to office automation systems supported by already completed system analyses and studies.		
Enforcement of antitrust and kindred laws.....	-100	-2,109
As the result of the enhanced use of automation for case tracking and management, the Antitrust Division is requesting a program decrease of 100 positions and $2,109,000 in 1988. The program decrease of 100 positions and $2.109 million for the Antitrust Division will be achieved through efficiencies and curtailment of lower priority program efforts. Specifically, the Antitrust Division will continue to reap efficiencies in 1988 from its investments in office automation and the use of automated data processing technology in its economic anlyses. The lower priority program--which can be curtailed without affecting merger related responsibilities or criminal grand jury activities related to major price-fixing cases--includes: competition advocacy (advocacy before federal regulatory agencies), policy analyses, legislation related activities and training.		
U.S. Attorneys.....	542	28,124
The U.S. Attorneys are requesting a program increase of 542 positions and $28,124,000 in 1988 for white collar crimes (28 positions and $1,561,000) and narcotics and dangerous drug prosecutions, (373 positions and $18,562,000) affirmative civil litigation (80 positions and $3,970,000), Organized Crime Drug Enforcement (OCDE) activity (44 positions and $2,557,000), legal education ($452,000), Law Enforcement Coordinating Committee/Victim Witness program (17 positions and $522,000) and enhanced security for the U.S. Attorney and OCDE offices ($500,000).		

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Program changes	Perm. Pos.	Amount
SpecialCounsel.....	30	$2,315
For 1988, the Department is requesting an increase of 30 positions, 23 FTE and $2,315,000 to continue the efforts initiated in 1987 as set forth in P.L. 99-603, the Immigration Reform and Control Act of 1986.		
Total program changes, General Legal Activities.....	739	88,575

SALARIES AND EXPENSES, FOREIGN CLAIMS SETTLEMENT COMMISSION
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	16	$600
1987 as enacted	9	564
1987 pay and retirement supplementals requested	...	7
1987 appropriation anticipated	9	571
Uncontrollable increases (see p. 12)	...	47
Decreases:		
Reduction for change in hourly rate	...	-2
Reduction in health benefits	...	-1
Nonrecurring costs for completed claims programs (employment benefits)	...	-105
1988 base	9	510
Program changes	...	...
1988 estimate	9	510

	1988 Base		1988 Estimate		Inc./Dec.	
Comparison by activity and program	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
1. Adjudication of international claims	9	$510	9	$510	...	...

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	2,624	$145,001
1987 as enacted	2,724	159,000
1987 proposed pay and retirement supplementals requested	...	5,445
1987 program supplemental requested	...	405
1987 appropriation anticipated	2,724	164,850
Transfer of the Financial and Administrative Systems Support Group	...	42
Transfer of the Protection of Witnesses program from Fees and Expenses of Witnesses	...	17,511
Uncontrollable increases (see p. 12)	...	15,868
Decreases:		
Reduction for change in hourly rate	...	-174
Reduction in health benefits	...	-206
1988 base	2,724	197,891
Program changes (detailed below)	224	18,201
1988 estimate	2,948	216,092

	1988 Base		1988 Estimate		Inc./Dec.	
Comparison by activity and program	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
1. Witness security	301	$25,912	337	$27,053	36	$1,141
2. Fugitive investigations and court orders	757	48,417	757	48,717	...	300
3. Judicial security	396	28,396	556	36,522	160	8,126
4. ADP and telecommunications	8	8,099	12	9,440	4	1,341
5. Field support and training	173	5,966	173	5,966	...	...
6. Handling of Federal prisoners	960	53,799	978	58,952	18	5,153
7. Organized Crime Drug Enforcement	13	912	13	912	...	...
8. Management and administration	116	8,772	122	10,912	6	2,140
9. Protection of witnesses	...	17,618	...	17,618	...	...
Total	2,724	197,891	2,948	216,092	224	18,201

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

Program Changes

	Perm. Pos.	Amount
Witness Security	36	$1,141
A program increase of 36 positions and $1,141,000 is needed to ensure the continued safety of the increasing number of protected witnesses and their family members, and to fully staff the Washington, D.C. area assessment center.		
Fugitive investigations and court orders	...	300
A program increase of $300,000 is necessary to ensure adequate resources are available to meet the increasing number of international extraditions, as well as the overall cost of performing such extraditions.		
Judicial Security	160	8,126
This program request represents an increase of 118 positions and $5,863,000 for enhanced protection of members of the federal judiciary and court facilities. An additional program increase of 42 positions and $2,263,000 is necessary to provide security resulting from the increased drug war workload.		
ADP and telecommunications	4	1,341
This program increase of 3 positions and $934,000 is for an ADP threat analysis system and similar improvements. Also, a program increase of 1 position and $407,000 is necessary to improve the National Prisoner Transportation System (NPTS).		
Handling of Federal prisoners	18	5,153
An increase of 10 positions and $4,047,000 is necessary to implement management improvements and to provide continued efficiencies in the NPTS. An additional 8 positions and $1,106,000 is necessary for the establishment of the new D.C. Superior Court facility.		

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

Program Changes

	Perm. Pos.	Amount
Management and administration.....	6	$2,140
An increase of 6 positions and $600,000 is necessary to provide enhanced management support. An additional funding increase of $1,540,000 is needed for cellblock renovation.		
Total program changes, U.S. Marshals Service.....	224	18,201

SUPPORT OF U.S. PRISONERS
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	...	$58,486
1987 as enacted	...	60,000
1987 program supplemental requested	...	9,630
1987 appropriation anticipated	...	69,630
Uncontrollable increases (see p. 12)	...	2,799
Decreases:		
Nonrecurring decrease for the Cooperative Agreement Program (CAP)	...	-5,000
1988 base	...	67,429
Program changes (detailed below)	...	9,485
1988 estimate	...	76,914

Comparison by activity and program	1988 Base Perm. Pos.	1988 Base Amount	1988 Estimate Perm. Pos.	1988 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. Care of U.S. prisoners in non-federal institutions	...	$67,429	...	$71,914	...	$4,485
2. Cooperative agreement program.	...	...	...	5,000	...	5,000
Total	...	67,429	...	76,914	...	9,485

Program changes	Perm. Pos.	Amount
Care of U.S. Prisoners in non-federal institutions	...	$4,485

This request will fund additional inmate days in contract facilities to support prisoner population increases. These increases are generated by the Organized Crime Drug Enforcement Task Forces, INS border patrol activity, and prosecutions resulting from the Comprehensive Crime Control Act of 1984.

SUPPORT OF U.S. PRISONERS

Program changes	Perm. Pos.	Amount
Cooperative agreement program.....	...	$5,000
This request will enable selected State and local governments to renovate, construct, and equip correctional facilities in exchange for the guarantee of additional beds for unsentenced Federal prisoners in the future. The program increase is requested to fund CAP agreements that will guarantee approximately 250 beds.		
Total program changes, Support of U.S. Prisoners.....	...	9,485

SALARIES AND EXPENSES, FEES AND EXPENSES OF WITNESSES
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	...	$43,823
1987 as enacted	...	52,187
Transfer of the Protected Witnesses program to the U.S. Marshals Service	...	-17,511
Uncontrollable increases (see p. 12)	...	983
1988 base	...	35,659
Program changes (detailed below)	...	1,700
1988 estimate	...	37,359

	1988 Base		1988 Estimate		Inc./Dec.	
Comparison by activity and program	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
1. Fees and Expenses of Witnesses	...	$35,084	...	$36,584	...	$1,500
2. Victim Compensation Fund	...	575	...	775	...	200
Total	...	35,659	...	37,359	...	1,700

Program changes	Perm. Pos.	Amount
Fees and Expenses of Witnesses	...	$1,500

A program increase of $1,500,000 is requested to cover increased costs associated with greater use of expert witnesses to prepare and present testimony in support of the litigative position of the Government. There has also been an increase in the number of witnesses used by government attorneys to provide eyewitness accounts and factual testimony.

SALARIES AND EXPENSES, FEES AND EXPENSES OF WITNESSES

Program changes	Perm. Pos.	Amount
Victim Compensation Fund	...	$200
A program increase of $200,000 is requested to allow the processing of an expected increase in the number of claims against this fund.		
Total program changes, Fees and Expenses of Witnesses	...	1,700

SALARIES AND EXPENSES, COMMUNITY RELATIONS SERVICE
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	118	$32,699
1987 as enacted	118	29,637
1987 pay and retirement supplementals requested	...	149
1987 program supplemental requested	...	41
1987 appropriation anticipated	118	29,827
Savings resulting from management initiatives	...	-46
Uncontrollable increases (see p. 12)	...	1,649
Decreases:		
Reduction in health benefits	...	-7
1988 base	118	31,423
Program changes (detailed below)	...	-2,300
1988 estimate	118	29,123

	1988 Base		1988 Estimate		Inc./Dec.	
Comparison by activity and program	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
1. Prevention and conciliation of community disputes:						
Technical assistance	6	$447	6	$419	...	-$28
Program operations	63	5,799	63	5,435	...	-364
Executive direction & control.	13	1,262	13	1,186	...	-76
Administrative services	6	380	6	343	...	-37
	88	7,888	88	17,383	...	-505
2. Reception, processing and care of Cubans and Haitians	30	23,535	30	21,740	...	-1,795
Total	118	31,423	118	29,123	...	-2,300

Program changes	Perm. Pos.	Amount
Prevention and conciliation of community disputes	...	-$505

Program decreases will be achieved in each program of this activity through administrative reductions. Additional decreases, including two FTE workyears, will be achieved in the program operations though a

Program changes	Perm. Pos.	Amount
reduction in conciliating non-targeted cases.		
Reception, processing and care of Cubans and Haitians....	...	-$1,795
Program decreases will be achieved in this activity through a reduction in mental health programs administratered by the Public Health Service.		
This decrease is possible as a result of the consolidation and reduction of in-patient capacity at St. Elizabeth's Hospital.		
Total program changes, Community Relations Service.....	...	-2,300

SALARIES AND EXPENSES, U.S. TRUSTEE SYSTEM FUND
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	179	$ 9,675
1987 as enacted	193	11,500
1987 pay and retirement supplementals requested	...	243
1987 program supplemental	361	16,436
1987 appropriation anticipated	554	28,179
Uncontrollable increases (see p. 12)	...	15,713
Decreases:		
Nonrecurring costs for background investigations	...	-12
Nonrecurring costs for equipment	...	-17
Reduction in health benefits	...	-9
Nonrecurring costs from 1987 supplemental request	...	-4,511
1988 base	554	39,343
Program changes (detailed below)	339	14,182
1988 estimate	893	53,525

Note: A United States Trustee System Fund will be established to fund program operations. Appropriated amounts are being sought for 1987 and 1988. The 1989 amounts will be derived from receipts.

	1988 Base		1988 Estimate		Inc./Dec.	
Comparison by activity and program	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
1. Administration of cases	500	$34,072	839	$48,254	339	$14,182
2. Management and administration	54	5,271	54	5,271	...	...
Total	554	39,343	893	53,525	339	14,182

SALARIES AND EXPENSES, U.S. TRUSTEE SYSTEM FUND

Program changes	Perm. Pos.	Amount
U.S. Trustees		
Bankruptcy Matters	339	$14,182

The 1988 request for the United States Trustees will provide for expansion of the U.S. Trustees program to 21 regions encompassing 88 of the total 94 judicial districts. This request represents the second year of expansion pursuant to the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (P.L. 99-554). This Act, signed on October 27, 1986, established a U.S. Trustee System Fund in the U.S. Treasury and provided for the collection and deposit of filing fees and maintenance charges into the Fund to finance program operations. The system of fees and charges is intended to produce sufficient revenue to cover program costs once the program is operational nationwide.

Supplemental resources of 361 positions and $16,436,000 are requested for 1987 to finance the first year of program expansion under P.L. 99-554. Due to the tight schedule in the statute for certifying additional regions in 1987, it is essential that this funding be provided as quickly as possible. An extraordinary delay in the availability of this supplemental appropriation will create impossible conditions for successful completion of the first phase of the nationwide expansion.

The Department is seeking direct appropriations into the Fund to finance the program expansion in 1987 and 1988. The program expansion will be completed in 1989. If program revenues are allowed to accumulate in the Fund during 1987 and 1988, sufficient revenues should be collected to allow future requests to be met from Fund balances as intended by Congress.

72-165 O—87——3

ASSETS FORFEITURE FUND
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	...	$42,832
1987 estimated obligations	...	112,000
1988 base	...	112,000
Program changes (detailed below)	...	8,000
1988 estimate	...	120,000

	1988 Base		1988 Estimate		Inc./Dec.	
Comparison by activity and program	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
Management and program expenses	...	$112,000	...	$120,000	...	$8,000

Program changes	Perm. Pos.	Amount
Management and program expenses	...	$8,000

The total and incremental amounts shown above reflect the most recent obligation estimates available for 1988. Amendments within the Anti-Drug Abuse Act of 1986 expanded the purposes of the Fund for which agencies could be reimbursed. This broadened area of coverage includes such expenses as the purchase or lease of ADP equipment directly related to seizure or forfeiture recordkeeping, retrofitting a conveyance for drug enforcement purposes, purchase of drug evidence and other selected categories. Obligations in these areas will increase in 1988.

FEDERAL BUREAU OF INVESTIGATION
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	21,692	$1,140,381
1987 as enacted	22,456	1,262,000
1987 pay and retirement supplementals requested	...	32,314
1987 program supplemental requested	...	9,675
1987 appropriation anticipated	22,456	1,303,989
Savings resulting from management initiatives	-200	-2,000
Uncontrollable increases (see p. 13)	...	121,548
Decreases:		
Reduction for change in hourly rate	...	-1,697
Reduction in health benefits	...	-1,508
Nonrecurring costs for artificial Intelligence	...	-6,000
One time costs for reappropriation	...	-5,686
1988 base	22,256	1,408,646
Program changes	718	75,775
1988 estimate	22,974	1,484,421

	1988 Base		1988 Estimate		Inc./Dec.	
Comparison by activity and program	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
1. Criminal, Security and Other Investigations:						
Other field programs	8,900	$560,364	9,192	$587,789	292	$27,425
Organized crime	2,689	149,674	2,934	163,262	245	13,588
White-collar crime	3,044	176,163	3,124	178,166	80	2,003
Organized crime drug enforcement	534	44,298	546	46,254	12	1,956
Subtotal	15,167	930,499	15,796	975,471	629	44,972
2. Investigative Support:						
Training	378	24,369	378	26,869	...	2,500
Forensic services-Federal	336	21,257	336	21,257	...	...
ADP and telecommunications	569	135,450	569	135,450	...	...
Legal attaches	78	5,977	78	5,977	...	...
Records management	1,232	43,815	1,232	43,815	...	...
Technical field support and equipment	147	70,531	197	94,684	50	24,153
Subtotal	2,740	301,399	2,790	328,052	50	26,653

Federal Bureau of Investigation

Comparison by activity and program	1988 Base Perm Pos.	1988 Base Amount	1988 Estimate Perm Pos.	1988 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
3. State and Local Assistance:						
General law enforcement training	281	$19,314	281	$19,314	...	...
Forensic services - Non-Federal	122	9,182	122	9,182	...	...
Fingerprint identification.	2,509	86,596	2,509	86,596	...	...
Criminal justice data and statistics services	194	9,189	194	9,189	...	...
Subtotal	3,106	124,281	3,106	124,281	...	...
4. Program Direction:						
Executive directions and control	512	26,473	512	26,473	...	...
Administrative services	731	25,994	770	30,144	39	$4,150
Subtotal	1,243	52,467	1,282	56,617	39	4,150
TOTAL	22,256	1,408,646	22,974	1,484,421	718	75,775

Program Changes	Perm Pos.	Amount
Other field programs	292	$27,425
The requested enhancements are directed to high priority field investigative programs. These enhancements will ensure that identified investigative targets are pursued and recently achieved program momentum is maintained.		
Organized crime	245	13,588
An additional 106 Special Agents and 139 general and special support personnel are requested to support an increasing level of effort focusing on organized crime's infiltration and domination of major national and international labor unions and to combat Sicilian, Mexican and Colombian drug cartels. Nonpersonnel enhancements are requested to expand the FBI's air program, provide sufficient resources for informant payments and pre-entry Witness Security program costs, and to fund investigative travel adequately.		
White-collar crime	80	2,003
An enhancement of 42 Special Agents and 38 general and special support personnel is requested to meet an expanding workload related to Department of Defense procurement fraud and bank fraud and embezzlement investigations.		

Federal Bureau of Investigation

Program Changes	Perm Pos.	Amount
Organized crime drug enforcement	12	$1,956
Twelve additional Special Agents are requested to support Organized Crime Drug Enforcement Task Force investigations. Nonpersonnel enhancements will be used to meet increasing informant payments.		
Training	...	2,500
The FBI's new 250-student dormitory and classroom building will be completed in 1988. To be fully operational, student rooms, lounges, common areas and classrooms must be furnished; an enhancement of $2.5 million is requested for this purpose.		
Technical field support and equipment	50	24,153
Fifty technical support personnel and $11.2 million are requested to support the development, implementation and maintenance of the Department's integrated digital voice privacy radio system. When fully implemented this system will meet the tactical radio requirements of the FBI, Drug Enforcement Administration and United States Marshals Service. An additional $13.0 million is requested for the construction of an integrated FBI-DEA Engineering Research Facility. When fully operational, this facility will produce operational economies and enhance coordination of technical equipment, procurement, research, development and production.		
Administrative services	39	4,150
Enhancements totaling 39 positions and $4.2 million are requested to ensure that administrative matters and activities are performed expeditiously. The FBI's administrative areas have not kept pace with recent investigative program enhancements.		
Total program changes, Federal Bureau of Investigation	718	75,775

DRUG ENFORCEMENT ADMINISTRATION, SALARIES AND EXPENSES
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	4,895	$372,354
1987 as enacted (includes Construction account)	5,680	479,500
1987 pay and retirement supplemental requested	...	9,917
1987 program supplemental requested	...	776
1987 appropriation anticipated	5,680	490,193
Savings resulting from management initiatives	-58	-911
Uncontrollable increases (see p. 13)	...	48,754
Decreases:		
Nonrecurring items for additional positions authorized in 1987	...	-20,806
Nonrecurring costs for ASIC construction	...	-7,500
Nonrecurring costs for aircraft	...	-11,500
Other nonrecurring items	...	-735
1988 base	5,622	497,495
Program changes	108	24,552
1988 estimate	5,730	522,047

	1988 Base		1988 Estimate		Inc./Dec.	
Comparison by activity and program	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
1. Enforcement of federal law and investigation:						
Domestic enforcement	1,987	$155,051	2,043	$162,260	56	$7,209
Organized crime drug enforcement	762	62,526	762	62,526	...	...
Foreign cooperative investigations	511	61,065	511	61,065	...	...
Diversion control	580	33,271	580	33,271	...	...
State and local task forces	259	31,149	259	31,149	...	...
Subtotal	4,099	343,062	4,155	350,271	56	7,209
2. Investigative support:						
Intelligence	362	24,129	362	24,129	...	...
DEA laboratory services	223	12,809	223	12,809	...	...
DEA training	39	5,277	39	5,277	...	...
Research, engineering and technical operations	253	37,873	281	41,869	28	3,996
ADP and telecommunications	106	38,415	121	50,832	15	12,417

Drug Enforcement Administration, Salaries and Expenses

Comparison by activity and program	1988 Base Perm Pos.	1988 Base Amount	1988 Estimate Perm Pos.	1988 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
Records management	85	4,363	85	4,363	...	...
Subtotal	1,068	122,866	1,111	139,279	43	16,413
3. State and local assistance:						
State and local training	30	$2,998	30	$2,998	...	...
State and local laboratory services	25	1,800	25	1,800	...	...
Subtotal	55	4,798	55	4,798	...	...
4. Program direction:						
Executive direction and control	249	16,672	258	17,602	9	$930
Administrative services	151	10,097	151	10,097	...	...
Subtotal	400	26,769	409	27,699	9	930
TOTAL	5,622	497,495	5,730	522,047	108	24,552

Program Changes	Perm Pos.	Amount
Domestic enforcement	56	$7,209
These increases support DEA's principal field investigative program. Included are 30 positions including 20 special agents and $2.8 million to establish Asset Removal Teams around the country. Also, 26 positions and $4.4 million are requested to support office automation activities in the field.		
Research, engineering and technical operations	28	3,996
These resources are to expand DEA's in-house technical expertise including 10 special agents, 14 technician and 4 support positions and to enhance its technical equipment acquisition base for such items as video equipment, transmitters and receivers, audio recorders, Title III devices and optical equipment.		
ADP and telecommunications	15	12,417
This increase will permit DEA to implement Phase II of the TEMPESTing of its ADP equipment and provide headquarters support of DEA's office automation activities.		
Executive direction and control	9	930
These increases including 6 special agent positions will provide for improved security of staff and facilities, ensure staff integrity, and provide physical fitness services.		
Total program changes, Drug Enforcement Administration	108	24,552

IMMIGRATION AND NATURALIZATION SERVICE
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	11,694	$574,943
1987 as enacted	11,694	593,000
1987 pay and retirement supplementals requested	...	15,774
1987 program supplemental requested	4,316	147,793
1987 rescission proposal	-557	-24,598
1987 appropriation anticipated	15,453	731,969
Savings resulting from management initiatives	...	-2,572
Transfer of Financial and Administrative Systems Support Group	...	20
Uncontrollable increases (see p. 13)	...	146,916
Decreases:		
Nonrecurring costs for new construction	...	-35,000
Nonrecurring costs for full-field investigations	...	-832
Reduction for change in hourly rate	...	-772
Reduction in health benefits	...	-897
Reduction in per page cost of the Federal Register and the Code of Federal Regulations	...	-4
1988 base	15,453	838,828
Program changes	...	...
1988 estimate	15,453	838,828

Program Supplemental Request

The major portion of the 1987 supplemental appropriation request for INS includes 4,316 positions and $137,843,000 to implement the Immigration Reform and Control Act of 1986. Highlights of the supplemental appropriations request for the Immigration Reform and Control Act of 1986 include:

	Positions	Amount
Construction of a new detention center	...	$15,000
Border Patrol construction	...	16,000
Modification of topographic features	...	4,000
Improving control of borders	2,261	35,479
Employer sanctions	1,237	33,669

	Positions	Amount
Expeditious Deportation of Criminal Aliens (McKay Amendment)	616	$16,781
Systematic Alien Verification for Employment Program	85	1,958
Implementing Agricultural Worker Program	117	14,956
TOTAL	4,316	137,843

Also included in the requested 1987 program supplemental is $9,000,000 to fund non-Service detention of Mariel Cuban criminals who are placed in Federal custody after serving sentences in State and local prisons and jails and $950,000 to fund increased Federal Telecommunications System cost increases.

Rescission Proposal

The 1987 Continuing Resolution (P.L. 99-500) provided for the establishment of an Immigration User Fee account. This will allow INS to charge a fee for the inspection of certain passengers arriving in the United States aboard commercial aircraft or vessels. The proposed rescission reflects those resources currently included in INS' 1987 appropriation that fund items which will be funded through the user fee account, effective December 1, 1986. Because the legislation merely switches the source of funding for certain functions, there will be no adverse impact on INS as a result of this rescission.

Immigration and Naturalization Service

Comparison by activity and program	1988 Base Perm Pos.	1988 Base Amount	1988 Estimate Perm Pos.	1988 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
1. Enforcement:						
Inspections	1,108	$74,667	1,108	$74,667	...	...
Border Patrol	5,541	217,829	5,541	217,829	...	...
Investigations	1,952	85,817	1,952	85,817	...	...
Anti-Smuggling	390	19,640	390	19,640	...	...
Detention & Deportation	1,644	140,270	1,644	140,270	...	...
Subtotal	10,635	538,223	10,635	538,223	...	...
2. Citizenship and Benefits:						
Adjudications and Naturalization	1,325	64,141	1,325	64,141	...	...
Refugees and Overseas	106	10,452	106	10,452	...	...
Subtotal	1,431	74,593	1,431	74,593	...	...
3. Immigration Support:						
Training	89	9,960	89	9,960	...	...
Data and Communication Systems	209	63,774	209	63,774	...	...
Information and Records Management	1,414	48,365	1,414	48,365	...	...
Intelligence	53	2,709	53	2,709	...	...
Research and Development	2	539	2	539	...	...
Construction and Engineering	18	14,046	18	14,046	...	...
Field Management and Support	314	15,961	314	15,961	...	...
Legal Proceedings	618	28,459	618	28,459	...	...
Subtotal	2,717	183,813	2,717	183,813	...	...
4. Program Direction:						
Executive Direction and Control	200	10,814	200	10,814	...	...
Administrative Services	470	31,385	470	31,385	...	...
Subtotal	670	42,199	670	42,199	...	...
TOTAL	15,453	838,828	15,453	838,828	...	...

IMMIGRATION LEGALIZATION
(Dollars in thousands)

	Perm. Pos.	Amount
1987 estimate of obligations	...	$148,540
1988 base	...	148,540
Program changes	...	32,152
1988 estimate	...	180,692

The Immigration Reform and Control Act of 1986, P.L. 99-603, provides for the establishment of a Legalization program. Under this program aliens who entered the U.S. illegally or lapsed into illegal status prior to January 1, 1982, who resided in the U.S. since then and who are not excludable may apply for temporary resident status. The law allows those granted temporary resident status to apply for permanent resident status after 18 months upon showing general admissability and citizenship skills. Consistent with the Act, this program is to be funded through application fees, which shall be available without fiscal year limitation to cover administrative and other expenses in connection with the review of legalization applications.

Program Changes:

The 1988 estimate reflects increased resources required to process additional applications expected to be submitted to INS in 1988.

IMMIGRATION USER FEE
(Dollars in thousands)

	Perm. Pos.	Amount
1987 estimate of obligations	...	$70,389
Anticipated additional amount for full-year operations	...	3,611
1988 base	...	74,000
Program changes	...	...
1988 estimate	...	74,000

The Department of Justice 1987 Appropriation Act (P.L. 99-500) provided for the establishment of a $5 per individual user fee for certain passengers travelling into the United States. These fees will be used to fund costs associated with immigration inspection and preinspection for passengers on certain commercial aircraft and vessels; overtime immigration inspection services, administrative debt recovery, including the operation of a national collections office; expansion, operation and maintenance of information systems for non-immigrant control and debt collection; detection of fraudulent documents used by passengers travelling to the United States, and detention and deportation services for excludable aliens arriving on commercial aircraft or vessels.

In 1988, $74,000,000 is estimated to cover INS' full-year costs. In 1987, the user fee provision did not go into effect until December 1, 1986; thus only partial year resources were required.

[illegible]
Analysis of an increase of $ [illegible] thousand
(Dollars in thousands)

	SALARIES AND EXPENSES		NATIONAL INSTITUTE OF CORRECTIONS		BUILDINGS AND FACILITIES		TOTAL	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
1986 obligations	10,876	[illegible]	41	14,000	97	132,032	10,979	646,306
1987 as enacted	11,257	680,[illegible]	41	9,000	84	219,011	11,382	889,016
1987 Program supplemental requested	...	948	...	10	...		...	958
1987 Pay and retirement supplemental requested	...	29,488	...	149	...	230	...	31,979
1987 appropriation anticipated	11,257	648,398	41	9,144	84	219,209	11,382	876,738
1988 estimate	12,043	760,886	41	10,809	129	216,334	12,213	988,894
Change 1988 from 1987	786	112,881	0	1,348	45	(2,9759	831	104,944
Adjustments to base								
Transfer of FBOB group	...	230	...	...	...	...	...	230
Uncontrollable increases:								
One additional compensable day	...	1,187	...	7	...	8	...	1,202
Annualization of additional 1987 positions	...	2,886	...	...	...	...	...	2,886
Annualization of Federal Employees' Retirement System costs	...	28,921	...	212	...	338	...	29,470
Annualization of 1987 pay costs	...	7,837	...	31	...	64	...	7,932
Within-grade increases	...	3,877	...	15	...	29	...	3,111
Locality based pay plan	...	889	...	60	...	64	...	713
Federal Employees' Compensation Act (FECA) - Workers' Compensation	...	364	...	...	...	...	...	364
GSA Rent	...	597	...	188	...	...	...	689
GSA recurring reimbursable services	...	12	...	...	...	...	...	12
Federal Telecommunications System (FTS)	...	292	...	8	...	10	...	310
Telephone service	...	32	...	...	...	...	...	32
GPO printing costs	...	0	...	...	...	...	...	0
Employee data and payroll services	...	434	...	...	...	...	...	434
General pricing level adjustment	...	8,842	...	339	...	348	...	9,436
Other	...	...	...	498	...	...	...	498
Total, uncontrollable increases	...	56,838	...	1,389	...	1,653	...	57,241
Decreases:								
Reduction for change in hourly rate	...	(737)	...	(6)	...	...	...	(743)
Reduction in per page cost of PX and EPA	...	(2)	...	...	...	...	...	(2)
Nonrecurring costs - activations	...	(746)	...	...	...	...	...	(746)
Nonrecurring costs - closed projects	...	...	...	...	(6)	...	(6)	...
Nonrecurring costs - projects funded in 1987	...	...	...	...	...	(205,389)	...	(205,389)
Reduction in Health Benefits	...	(1,359)	...	(1)	...	(8)	...	(1,368)
Total, decreases	...	(2,844)	...	(5)	(6)	(205,397)	(6)	(207,725)
Total, adjustments to base	...	52,792	...	1,348	(6)	(204,344)	(6)	(150,291)
1988 base	11,257	701,040	41	10,809	78	14,988	11,376	738,462
Program changes	786	59,846	...	...	51	193,429	857	255,232
1988 estimate	12,043	760,886	41	10,809	129	216,334	12,213	988,894
Change 1987 from 1986	786	112,881	0	1,348	45	(2,9759	831	104,944

FEDERAL PRISON SYSTEM, SALARIES AND EXPENSES
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	10,876	$549,344
1987 as enacted	11,257	626,807
1987 pay and retirement supplementals requested	...	20,985
1987 program supplemental requested	...	548
1987 appropriation anticipated	11,257	648,340
Transfer of Financial and Administrative Systems Support Group	...	210
Savings resulting from management initiatives	...	...
Uncontrollable increases (see p. 53)	...	54,838
Decreases (see p. 53)	...	-2,340
1988 base	11,257	701,048
Program changes	786	59,803
1988 estimate	12,043	760,851

Comparison by activity and program	1988 Base Perm Pos.	1988 Base Amount	1988 Estimate Perm Pos.	1988 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
1. Inmate Care, Custody and Programs:						
Inmate care	1,621	$156,890	1,726	$171,323	105	$14,433
Institution security	5,019	160,839	5,368	166,411	349	5,572
Unit management	1,261	52,686	1,345	57,378	84	4,692
Inmate programs	645	37,879	710	40,370	65	2,491
Subtotal	8,546	408,294	9,149	435,482	603	27,188
2. Institution Administration and Maintenance:						
Institution administration	1,328	86,439	1,446	95,222	118	8,783
Staff training	63	8,995	66	9,890	3	895
Institution maintenance	846	94,493	908	104,222	62	9,729
Subtotal	2,237	189,927	2,420	209,334	183	19,407

FEDERAL PRISON SYSTEM, SALARIES AND EXPENSES

Comparison by activity and program	1988 Base Perm Pos.	1988 Base Amount	1988 Estimate Perm Pos.	1988 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
3. Contract Confinement	69	$59,145	69	$69,436	...	$10,291
4. Program Direction:						
Executive direction	223	13,083	223	13,083	...	...
Administrative services	182	30,599	182	33,516	...	2,917
Subtotal	405	43,682	405	46,599	...	2,917
TOTAL	11,257	701,048	12,043	760,851	786	59,803

Program Changes	Perm Pos.	Amount
Activations	786	$34,495
This request provides an increase of 786 positions and $34,695,000 distributed among FPS' inmate care, custody and programs, and institution administration and maintenance programs to activate facilities and finance the purchase of activation equipment at the Los Angeles, California MDC; Marianna, Florida and Fairton, New Jersey FCIs; Oakdale, Louisiana Cuban Unit; Englewood, Colorado detention unit; and Marion, Illinois camp expansion.		
Population adjustment	...	10,322
This request provides an increase of $10,322,000 to finance the adequate care and subsistance of a projected increase in the average daily population of 2,446 over the 1987 population of 42,432. These resources will enable FPS to house an annual average daily population of 44,878 in 1988.		
Institution administration and maintenance	...	1,778
This request provides $1,378,000 to replace 106 vehicles, and $400,000 for medical training.		
Contract confinement	...	10,291
This request provides an increase of $7,591,000 to increase the average daily population in Contract Community Treatment Centers from 3,300 to 4,025; and $2,700,000 to house approximately 500 short-term sentenced aliens for six months.		

FEDERAL PRISON SYSTEM, SALARIES AND EXPENSES

Program Changes	Perm Pos.	Amount
Administrative services.....	...	$2,917
This request provides an increase of $268,000 for additional ADP support services, and $2,649,000 to finance increased Justice Data Center costs due to increased usage.		
Total program changes, Salaries and Expenses.....	786	59,803

FEDERAL PRISON SYSTEM, NATIONAL INSTITUTE OF CORRECTIONS
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	41	$14,468
1987 as enacted	41	9,000
1987 pay and retirement supplementals requested	...	149
1987 program supplemental requested	...	15
1987 appropriation anticipated	41	9,164
Uncontrollable increases (see p. 53)	...	1,350
Decreases (see p. 53)	...	-5
1988 base	41	10,509
Program changes	...	...
1988 estimate	41	10,509

Comparison by activity and program	1988 Base Perm Pos.	1988 Base Amount	1988 Estimate Perm Pos.	1988 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
1. National Institute of Corrections	41	$10,509	41	$10,509	...	...

FEDERAL PRISON SYSTEM, BUILDINGS AND FACILITIES
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	57	$132,532
1987 as enacted	84	219,011
1987 pay and retirement supplementals requested	...	238
1987 appropriation anticipated	84	219,249
Uncontrollable increases (see p. 53)	...	1,053
Decreases (see p. 53)	-6	-205,397
1988 base	78	14,905
Program changes	51	195,429
1988 estimate	129	210,334

	1988 Base		1988 Estimate		Inc./Dec.	
Comparison by activity and program	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
1. Planning and site acquisition	...	...	2	$9,000	2	$9,000
2. New construction	38	...	51	124,500	13	124,500
3. Modernization and repair of existing facilities	40	$14,905	76	76,834	36	61,929
TOTAL	78	14,905	129	210,334	51	195,429

Program Changes	Perm Pos.	Amount
Planning and site acquisition	2	$9,000

This requested program increase provides planning funds for two medium security institutions.

FEDERAL PRISON SYSTEM, BUILDINGS AND FACILITIES

Program Changes	Perm Pos.	Amount
New construction	13	$124,500
The requested program increase provides resources to construct two medium security institutions, one in the Northeast and one in the Southeast ($87,500,000) and a detention unit ($7,000,000), and $30,000,000 to complete an additional institution partially funded in 1987.		
Modernization and repair	36	61,929
The requested program increase provides resources to accomplish important renovation and repair projects ($10,725,000); continue the modernizations at the Leavenworth and Atlanta Penitentiaries ($17,000,000); complete fire safety projects and identify hazardous waste materials at selected institutions ($7,504,000); and expand capacity at six existing institutions (Ashland, Kentucky; Memphis, Tennessee; Talladega, Alabama; Atlanta, Georgia; Morgantown, West Virginia, and Oxford, Wisconsin; $26,700,000).		
Total program changes, Buildings and Facilities	51	195,429

FEDERAL PRISON SYSTEM, FEDERAL PRISON INDUSTRIES, INC.
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations (revolving fund)	925	$210,776
1987 estimated obligations	962	255,240
Uncontrollable increase:		
Annualization of 987 pay increase	...	468
1988 base	962	255,708
Program changes	85	25,018
1988 estimate	1,047	280,726

	1988 Base		1988 Estimate		Inc./Dec.	
Comparison by activity and program	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
1. Congressional limitation:						
Administrative expenses	29	$2,227	29	$2,347	...	$120
2. Vocational training expenses	97	7,392	97	7,571	...	179
Subtotal	126	9,619	126	9,918	...	299
3. Industrial operations:						
Cost of production	836	180,339	921	195,402	85	15,063
Other expenses	...	43,700	...	47,400	...	3,700
Buildings and improvements	...	10,450	...	11,606	...	1,156
Machinery and equipment	...	11,600	...	16,400	...	4,800
Subtotal	836	246,089	921	270,808	85	24,719
TOTAL	962	255,708	1,047	280,726	85	25,018

Program Changes	Perm Pos.	Amount
Industrial Operations	85	$25,018

This increase will provide employment for approximately 1,500 additional inmates through the establishment of new factories at four institutions, and the expansion of factories at existing institutions.

OFFICE OF JUSTICE PROGRAMS
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	334	$223,963
1987 as enacted	323	415,650
1987 pay and retirement supplementals requested	...	382
1987 program supplemental requested	...	27
1987 appropriation anticipated	323	416,059
Savings resulting from management initiatives	-4	-100
Transfer of Financial and Administrative Systems Support Group	...	1
Programs funded from unobligated balances	...	11,640[1]
Uncontrollable increases (see p. 13)	...	2,988
Decreases:		
Reduction for change in hourly rate	...	-32
Reduction in health benefits	...	-18
Reduction in per page cost of the Federal Register and the Code of Federal Regulations	...	-1
Reduction in Federal Employees Compensation Act -- Workers Compensation	...	-114
1988 base	319	430,423
Program changes	-32	-352,120
1988 estimate	287	78,303

Comparison by activity and program	1988 Base Perm Pos.	1988 Base Amount	1988 Estimate Perm Pos.	1988 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
1. Research, evaluation and demonstration programs	...	$19,394	...	$22,094	...	$2,700
2. Criminal justice statistical programs	...	19,550	...	20,300	...	750
3. State and local assistance	...	44,400	...	...	...	-44,400
4. Emergency assistance	...	1,148	...	1,200	...	52
5. Juvenile justice programs	...	67,600	...	...	...	-67,600

[1]This request represents an adjustment required in order to reflect actual base levels for certain programs. The 1987 appropriation language and Conference Committee report specified that carryover funds be added to new budget authority for several OJP programs.

Office of Justice Programs

Comparison by activity and program	1988 Base Perm Pos.	1988 Base Amount	1988 Estimate Perm Pos.	1988 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
6. Missing Children	...	$4,000	...	$4,000	...	...
7. Public Safety Officers' Benefits Program	...	10,650	...	10,000	...	-$650
8. Mariel Cubans	...	5,000	...	...	...	-5,000
9. Crime Control programs	...	...	...	...	...	...
10. Regional Information Sharing System	...	12,000	...	...	...	-12,000
11. Anti-Drug Abuse program	...	225,000	...	...	...	-225,000
12. Management and administration.	319	21,681	287	20,709	-32	-972
TOTAL	319	430,423	287	78,303	-32	-352,120

Program Changes	Perm Pos.	Amount
Research, evaluation and demonstration programs	...	$2,700
This increase is requested for initiatives to control the supply and demand for illegal drugs. Funds will be used to implement a drug use "early warning" system ($1,350,000), conduct research on local drug dealer crack downs ($600,000), and public service announcements ($750,000).		
Criminal justice statistical programs	...	750
This increase will enable the Bureau of Justice Statistics to initiate a major, multi-faceted statistical series on white collar/economic crime. The data will facilitate long-term cost savings by permitting evaluation of alternative crime control strategies, will provide empirical data to support legislative, budget and conceptional strategies at the Federal and State levels, and will permit the development of a more comprehensive outline of criminal activity in the Nation.		
State and Local Assistance	...	-44,400
This reduction will terminate funding for this program. In view of the Balanced Budget and Emergency Deficit Control Act of 1985, many difficult decisions had to be made. One of these decisions resulted in an Administration policy that the States		

Program Changes	Perm Pos.	Amount
which receive program benefits should pay for them. The three years of funding which have been provided by this program have given the States and localities ample opportunity to find out if the projects they have funded with Federal funds have resulted in increased efficiency and/or reduced costs. If they have, then the States and localities should be willing to fund these projects.		
Emergency Assistance	...	$52
This program provides financial and technical support to assist States in responding adequately to law enforcement emergencies. In 1987, funding for this program was provided from available unobligated balances carried over from 1986. An increase of $52,000 is requested for 1988 to maintain this program at an adequate level of funding.		
Juvenile Justice Programs	...	-67,600
The Administration believes that the major goals of this program have already been accomplished and that further funding for this program should be provided at the State and local level. A program reduction of $67,600,000 is requested to terminate this program at the Federal level.		
Public Safety Officers' Benefits program	...	-650
A program reduction of $650,000 is requested due to a reduction in the number of claims filed and paid in recent years.		
Mariel Cubans	...	-5,000
No funding is requested for this program in 1988. This program benefits less than one half of the States. In the current period of scarce Federal funds, this program is no longer of sufficient priority to command a share of the limited funds available. The Department of Justice must first use any available funds to meet its Federal justice responsibilities.		
Regional Information Sharing System	...	-12,000
This program is designed to aid State and local law enforcement agencies in the exchange of information. The original RISS projects were funded on a demonstration basis with the expectation that financial support for these information networks would in time be assumed by the State and local law enforcement agencies which they serve. In light of scarce Federal resources, the Administration believes that the agencies which benefit from the services should now pay for those services. The 1988 program reduction of $12,000,000 will eliminate funding for this program.		

Office of Justice Programs

Program Changes	Perm Pos.	Amount
Anti-Drug Abuse Program	...	-$225,000
A program reduction of $225,000,000 is requested to terminate this program in 1988. The Administration believes that the funds made available to State and local governments in 1987 will permit these units of government to expand their efforts to enforce State and local drug laws. Since Federal funds are limited, the Administration must first utilize available funds to meet the requirements of the Federal justice system including increase direct drug initiatives.		
Management and Administration	-32	-972
This reduction in staffing is associated with the termination of the Juvenile Justice and State and Local Assistance Programs in 1988.		
Total program changes, Office of Justice Programs	-32	-352,120

OFFICE OF JUSTICE PROGRAMS, CRIME VICTIMS FUND
(Dollars in thousands)

	Perm. Pos.	Amount
1986 obligations	...	$64,898
1987 estimate	...	62,506
1988 estimate	...	70,000
Proposed obligation limitation	...	-35,000
1988 estimated obligations	...	35,000

Proposed obligation limitation

The Administration has proposed an obligation limitation of $35,000,000 in 1988. This proposal provides sufficient funds to encourage development of additional crime victims programs at the state and local level.

DEPARTMENT OF JUSTICE
STATEMENT OF THE ATTORNEY GENERAL
EDWIN MEESE III
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE,
THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Committee:

Thank you for giving me the opportunity to discuss with you our 1988 budget request.

Those who choose to study our budget proposal carefully will discover that it is a carefully-designed blueprint for accomplishing all of the Justice Department's many critical functions.

We all agree on the fact that the Department of Justice performs core functions of government -- functions that indisputably belong to the federal government, and that are fundamental in nature. Inevitably, of course, we work closely with state and local law enforcement agencies, but we are always careful to make these cooperative ventures. Through such devices as our Law Enforcement Coordinating Committees and Organized Crime Drug Enforcement Task Forces, we work together in ways that maximize our ability to fight crime, while never trying to impose a federal imprint in places we don't belong.

This determination to cooperate with local law enforcement agencies is reflected in the way we prepare our budget. An important example is the Asset Forfeiture Program, under which we have been able to make available large sums of money to local law enforcement agencies without hitting up the federal taxpayer for the funds. When we work together on a case, and are able to seize ill-gotten gains from a criminal after he has been

convicted, we share those gains with states and localities, who can then use the proceeds for both drug law enforcement and drug education and prevention.

Our attitude toward relations with state and local agencies is also reflected in the way in which we manage our grant programs. Since the inception of these programs, they have been intended to "get the ball rolling" in states and localities -- to provide seed money, start-up money for programs that will be evaluated and, if local officials decide to do so, continued with local funding later. Our grant programs were never intended to be sources of permanent, ongoing funding for local programs, nor should they be. We've taken some criticism already this year for proposing to drop certain grant programs in the drug area next year, even though it should be clear to all that our role must be that of encouraging the development of, rather than sustaining, locally based programs to deal with drug abuse. Moreover, we must not overlook the fact that not all of the monies allocated in 1987 for these grant programs will be spent in 1987. Much of that money will continue to go out to the states and localities in 1988 and 1989. I'll have more to say about this later in my testimony.

I'd like to make one other general statement about our budget: it represents a careful balancing of resources. I cannot stress this enough. We have been hampered from time to time in recent years by what I might call "front-end loading" of the Justice Department -- putting plenty of money "up front" in

investigating crimes, but too little money farther "down the pipeline." The system becomes unbalanced when we do not have enough money to prosecute when cases come to court, or to incarcerate when convictions are obtained.

Clearly, with more investigators bringing in more cases for evaluation and prosecution, the United States Attorneys will require enhanced resources. Similarly, the Marshals Service must have concomitant enhancements to handle the resultant increased activity in the areas of trial-related prisoner transportation and housing, witness protection, and courtroom security. Finally, the greater investigative and prosecutive efforts will inevitably place more pressure on our already overcrowded Federal Prison System to find the means to house greater numbers of convicted defendants sentenced to prison terms. Accordingly, this budget strikes the needed balance between the "front-end" activities and the administrative support, the investigative and prosecutorial efforts, and the prison construction and operation that form a complete criminal justice system. It also includes resources for civil litigation that can return many times the modest investment in debt collection and defending claims against the government which threaten the Treasury of the United States with enormous potential liability.

This budget also includes significant new resources to meet increased responsibilities as a result of a variety of legislation passed over the last year. Let me spend a moment high-

lighting several significant aspects of this recent legislation, and then I'll discuss our budget request.

IMMIGRATION REFORM AND CONTROL ACT

Enactment of the Immigration Reform and Control Act at the end of the 99th Congress imposes significant new responsibilities on the Immigration and Naturalization Service and other components of the Department. This legislation represents the most comprehensive reform of our immigration law since 1952. It takes a major step toward controlling illegal immigration while preserving the nation's proud heritage of legal immigration. The Act contains three key provisions -- employer sanctions, increased enforcement authority, and legalization.

The Department is well along in drafting regulations that will implement this landmark legislation, and as you know, we have shared preliminary drafts of these regulations with those of you in the Congress and other interested parties. In fact, we've taken the unusual step of making these public long before our formal publication of proposed rules for comment due to take place late this month. We've done this to ensure that we receive the widest possible comment from all concerned, and we welcome any thoughts or suggestions for change that you may have.

The legalization provisions of the legislation will go far to improve the lives of millions of people who have until now lived in the shadows of our society. The legalization program

will enable these men and women to step into the sunlight and ultimately, if they choose, to become citizens. The program will be financed through a special fund financed from fees collected from persons applying for temporary residence status. Because this program will provide direct and significant benefits to a select group of individuals, namely illegal aliens, we believe and the law requires that the beneficiaries of this program should pay the costs, not the general taxpayer.

We have already launched significant efforts to ensure that all the provisions of the Act are effective. We are in need of the considerable additional resources requested in the President's budget request, in both 1987 and 1988, if we are to meet our new obligations.

ANTI-DRUG ABUSE ACT OF 1986

The Congress and the Reagan Administration share a determination to wage a war on drugs that represents our very best effort to rid American society of a terrible scourge. The Anti-Drug Abuse Act of 1986 and the companion Omnibus Drug Supplemental Appropriation Act, passed with bipartisan support, testify to this commitment. We are proposing increased resources to meet our very substantial responsibilities under these laws, as well as under the Comprehensive Crime Control Act of 1984.

The Anti-Drug Abuse Act of 1986 was truly a landmark measure that dramatically strengthens our ability to attack the national drug problem from both the supply and demand sides. In the

enforcement area, the 1986 Act included important Administration proposals to create substantial penalties for money laundering and the manufacture and distribution of controlled substance analogues or "designer drugs." The Act also incorporates our proposals for mandatory minimum sentences for large-scale drug trafficking and strengthens drug penalties across the board. Many other important drug enforcement initiatives were also enacted in the comprehensive anti-drug legislation, including measures strengthening the "schoolyard law," which makes it a federal offense to sell drugs within 1,000 feet of a school, toughening and improving federal asset forfeiture laws, and attacking other manifestations of the drug problem.

As I mentioned, the drug penalty enhancements enacted last year generally track our own proposals in the area and reflect our view that prison is precisely where drug traffickers belong and we want their stay there to be a lengthy one. At the same time, this does have very obvious and significant budgetary implications for the Department of Justice and particularly our Bureau of Prisons.

On the demand side, the 1986 drug law includes what we believe will be an effective deterrent to use of controlled substances -- a minimum fine for simple possession of drugs and a minimum jail term for a second conviction of simple possession. This will bring home to drug users that we view drug use as a serious matter. This provision, we believe, is consistent with the greatly enhanced drug education and drug treatment programs

provided for in the 1986 Act. In this area as others, however, follow-up with the enhanced resources requested in the budget for the United States Attorneys, Drug Enforcement Administration, Federal Bureau of Investigation, U.S. Marshals Service and Bureau of Prisons is essential.

In short, the 1986 Anti-Drug Abuse Act represents a true watershed in terms of drug control efforts and accounts for much of the increase in funding which we are seeking for 1988.

OTHER LEGISLATION

Additionally, late in the 99th Congress, the Bankruptcy Judges, United States Trustees and Family Farmer Bankruptcy Act of 1986 was enacted. This legislation expanded the role of the United States Trustees to a nationwide status. All of the studies of the pilot version of this program, run under the auspices of the Department for the last seven years, have concluded that it has been successful, and should be extended throughout the country. The studies found that: the program significantly improved the speed and efficiency of the bankruptcy system, increased the likelihood of successfully rehabilitating debtors, and enhanced the possibility of increasing the returns to creditors. Our budget request seeks the additional resources necessary, until the Act's self-funding mechanism is completely in place. We anticipate that the program will be totally self-funded from its receipts by the beginning of 1989.

Aside from prison construction, very little of the Department's core budget goes to anything except "people" costs.

Nearly everything we do, from investigating crimes to prosecuting cases in court, from guarding the border to running prisons, is "personnel-intensive." As a result, the recently enacted Federal Employees' Retirement System Act of 1986 has had a very substantial impact on the Department's need for funding. As the Act's provisions go into effect, we must seek supplemental funding for 1987 and additional amounts in 1988. The impact is disproportionately high for the Department because of the large number of our employees who qualify for special benefits because of their law enforcement status.

This year's request also reflects the growing emphasis on self-financing that derives from recent legislation. Last year, for example, the Assets Forfeiture Fund proved so productive that Congress removed many of its limitations. Similarly, the Continuing Resolution established an Immigration User Fee Account that will fund significant segments of inspection-related services in the Immigration and Naturalization Service. As I noted earlier, our budget request also includes a self-financing provision for the legalization of aliens. It also continues the Crime Victims Fund financed by criminal fines and looks toward the previously noted self-financing of the U.S. Trustee program by 1989.

IMPACT ON DEPARTMENT RESOURCES

The net result of these initiatives, of course, is reflected in our budget request. A year ago I presented a budget on behalf

of the Administration that asked for about $4.2 billion. When Congress completed action on 1987 funding, this had grown to $4.6 billion, largely because of the funding added to implement the Anti-Drug Abuse Act. If our pending request for supplemental appropriations is approved, another $300 million would be added for 1987. Our total request for 1988 appropriations is just over $5.2 billion. If we include the activities that are self-financed, the total for the Department exceeds $5.6 billion.

In terms of positions, the growth is also significant. A year ago we proposed that 64,415 permanent positions be supported from appropriated funds. The 1988 estimate is 72,798, an increase of 13 percent. As I indicated earlier, it is largely the Administration's aggressive plan to implement the new legislation that drives this budget. Since much of this legislation becomes effective in 1987, the supplemental requests for 1987 are closely linked to the 1988 requests. I urge the Congress to appropriate swiftly the funds requested for 1987, to enable us to implement these important initiatives.

We are proposing increases in the Department's 1988 budget in the most vital areas. Let me briefly describe some of the key requested increases.

Immigration Reform and Control Act Implementation.

We are asking for $216.5 million in 1988 to support 4,602 positions for the Immigration and Naturalization Service and

other organizations involved in immigration reform. If we are to meet our responsibilities, we will need supplemental appropriations of $146 million in 1987 to fund 4,559 positions. These resources would allow us to enforce employer sanctions, launch the agricultural worker program, and strengthen the Border Patrol.

INS's 1988 budget includes a $29 million increase over the 1987 appropriations for the Border Patrol. The 1988 increase is on top of an 1987 supplemental increase request of $26 million for the border patrol. We are proposing to add almost 1,850 new positions to the border patrol to carry out the enforcement aspects of the Immigration Reform and Control Act. Most of these new positions will be added to the southern border. There should be some ancillary benefit to our drug interdiction efforts on the southern border as these border patrol personnel join the force already stationed there.

As you know, the Immigration Reform and Control Act of 1986, with certain specified exemptions, makes it an "unfair immigration-related employment practice" to discriminate against an individual (other than an unauthorized alien) "with respect to the hiring, or recruitment or referral for a fee, of the individual for employment or the discharging of the individual from employment" on the basis of the individual's national origin or citizenship status. The Special Counsel for Immigration-Related Unfair Employment Practices was created in the Department to enforce these provisions. For the Special Counsel we have

submitted an 1987 supplemental request for 30 positions and $1,395,000 and an 1988 request for an additional 30 positions and a program increase of $2,315,000.

Further, the 1988 budget request for the Executive Office for Immigration Review includes 126 positions and $9,290,000 for the implementation of the Immigration Reform and Control Act of 1986. These resources will be used to address workload associated with the expedited adjudication of criminal aliens in Federal and State prisons, and increased deportation caseload resulting from increased border enforcement, denials for legalization, denials of lawful residence to special agricultural workers, and employer sanctions enforcement.

Funding the War Against Drugs

As we respond to recent legislative initiatives, we must also continue to improve our fundamental mission in law enforcement. Last year both the President and the Congress continued to make clear that illegal drug trafficking is a serious threat to the nation's internal safety and stability and that radical responses are necessary. The level of resources devoted to the drug war continues to increase dramatically. Our 1988 request identifies a number of specific enhancements for the Drug Enforcement Administration, the Federal Bureau of Investigation, the U.S. Attorneys, several legal divisions, and the Office of Justice Programs. Beyond that, the process of identifying funds used in the drug war gets more difficult because we must consider the cost of annualizing the large

program increases included in the 1987 budget, blocking out certain non-recurring costs, and determining the proper amount to allocate to the war on drugs for the Federal Prison System, the Marshals Service, and the Support of U.S. Prisoners accounts where the cost data are not oriented to crime classification. If we simply ask how much more we will be spending to fight the drug menace in 1988 than in 1987, I believe that we can demonstrate conclusively that our core programs will apply significantly more in almost every organization.

For the Drug Enforcement Administration, we are requesting program increases that total $24.6 million and 108 new positions. These increases focus on increased security for ADP operations and office automation activities, establishment of asset removal teams at various locations throughout the country, and for technical and support operations. Complementing the DEA initiatives, the FBI is asking for $4.4 million to support 97 positions for Organized Crime Drug Enforcement Task Forces and related drug enforcement activities.

In the litigative areas, the U.S. Attorneys will receive more cases due to narcotics referrals from investigative areas. To handle cases we are requesting $21.4 million to fund 417 new positions, including 44 positions and more than $2.5 million dedicated to the Organized Crime Drug Enforcement Task Forces. In addition, the request includes almost $700,000 to fund 6 positions for the Tax Division to accelerate litigation on drug cases and about $141,000 more for narcotics prosecution by the

Criminal Division. We have also identified three program areas where the National Institute of Justice will apply another $2.7 million.

These new initiatives, totaling almost $54 million, do not include the additional $11.2 million that it will cost to provide full year funding for the 785 new DEA positions provided by the Congress in 1987 or the cost of annualizing other new initiatives approved in 1987. If we add these costs, and the expected $8 million for increased obligations of the Assets Forfeiture Fund, the net increase in resources from 1987 to 1988 for investigations, prosecution, and criminal justice research is almost $89 million.

As I indicated earlier, drug-related costs associated with the Federal Prison System, the Marshals Service, and other Department components are difficult to classify. For the Federal Prison System, currently, 37 percent of the prisoners are incarcerated for drug-related crimes. When determining drug-related costs, this amount is applied to total resources for the Prison System. Similarly, 35 to 40 percent of the resources for the U.S. Marshals can be associated with drug-related costs. Applying these factors to the resource levels from 1987 to 1988 results in a net increase of $62 million for these particular Department components.

In total, over $151 million more - $89 million for investigations and prosecutions and $62 million for the Marshals

and the Bureau of Prisons - will be available for core programs in the Department of Justice to combat drugs.

Other Criminal Investigations and Prosecutions

The 1988 budget request for the FBI contains the fifth year of the Administration's initiative to strengthen the FBI counterintelligence program. The FBI is also increasing resources devoted to terrorism, including domestic terrorism.

We plan to devote 80 more positions, 42 special agents and 38 support personnel, to Department of Defense procurement fraud and bank fraud and embezzlement investigations. This will raise the FBI's level of personnel investigating white collar crime to more than 3,100. These people focus on federal government fraud, such as bribery or conflict of interest, on public corruption by federal, state, and local executive and management-level public officials, and financial crimes, such as bank embezzlement and fraud.

One of my top priorities has been to prosecute those responsible for Department of Defense procurement fraud. Through the investigative and prosecutorial efforts of the Department of Defense, the FBI and the Criminal Division, we are helping to restore integrity to the defense procurement process. The cases are very labor-intensive and time-consuming. But they are very rewarding. For example, on July 24, 1986, Litton Systems, Incorporated, was sentenced, following a plea of guilty, to 320 counts of false claims and mail fraud. This case, which involved mischarging material cost on contracts to the Army, Navy and Air

Force, resulted in $15.7 million being paid back to the U.S. Government.

We have also been successful in prosecuting the top echelon of organized crime in this country. However, we cannot rest until we cripple the entire organized crime structure. It is estimated that organized crime reduces the GNP by $18 billion. The threat that organized crime groups present to our society strongly justifies not only our existing level of resources, but also an 1988 increase of 160 positions and $11 million for the FBI and 24 positions and $2 million for the Criminal Division. These new resources will primarily focus on organized crime's infiltration and domination of major national and international labor unions. Through control of these unions, La Cosa Nostra gains political and economic power and a vast source of funds from which they can finance other illegal activities. We must return control of the unions to those honest workers whom these unions represent.

United States Attorneys

In addition to the drug enforcement increases I mentioned earlier, the United States Attorneys will need new resources of $1.6 million for 28 positions to prosecute white collar criminals identified by the FBI and other agencies. We are also requesting an increase of 17 positions and $522,000 for the Law Enforcement Coordinating Committee (LECC) Victim Witness program. Our LECC/Victim witness coordinators serve as the focal point in

implementing several critical programs related to coordination of federal, state and local law enforcement efforts and client services to victims and witnesses in the federal criminal justice system. Finally, to cope effectively with the threat of reprisal or intimidation attacks by criminal elements and to protect employees and increasingly sensitive or classified material, an increase of $500,000 is requested for enhanced physical and personal security measures. In a moment, I will discuss additional proposed increases for the U.S. Attorneys in connection with our debt collection efforts.

As the Department's primary front line prosecutors and litigators throughout the country, the United States Attorneys will, of course, continue a myriad of other vital functions at a current services level. These functions cover the entire spectrum of litigative activities, including prosecutions of civil rights violations, public corruption, organized crime, and a host of other violations of federal criminal statutes, as well as litigation of tax cases, enforcement of environmental laws, and defending the United States Treasury against a variety of claims.

Federal Prison System

As increased resources are provided to the Department to investigate and prosecute violations of Federal law, and to the courts to conduct trials, the inevitable result is an increased Federal prison population. Despite new prison construction

during the past six years, we have been unable to keep pace with the growth of our inmate population. Since January 1981, the Federal inmate population has increased nearly 75 percent - from 23,800 to 41,500 today. We project a continuation of this growth and our 1988 appropriations request is based on a projection that the population will reach at least 55,200 by 1993.

I want to point out, however, that this projection excludes the potential impact of the enhanced drug penalties provided in the Anti-Drug Abuse Act of 1986 and the sentencing guidelines to be submitted to the Congress later this year by the U.S. Sentencing Commission. We anticipate that these two factors will further increase the Federal inmate population above current projections.

We are succeeding at a task that has been our first priority for the past six years: putting dangerous criminals behind bars, and putting them there for long sentences consistent with the seriousness of their crimes and the threat they pose to society. This is especially true of those guilty of drug-related crimes, who now form a very significant proportion of our prison population. But our success at this task must be met by a willingness to construct new prison facilities, to staff them, and to keep up needed modernization and repair activities at the many prisons we now run.

The Federal Prison System already has most of the funds to complete construction of a Los Angeles Metropolitan Detention Center and Federal Correctional Institutions at Fairton, New

Jersey and Marianna, Florida. We also have most of the funds needed to complete construction at Bradford, Pennsylvania; Sheridan, Oregon; Jesup, Georgia and a site not yet selected in the Northeast. We are now completing work on the Cuban detention unit at Oakdale, Louisiana and are moving ahead on lower security satellite camps and housing units.

To complete these projects and begin new ones, we are requesting new resources of $195.4 million in 1988. Out of this amount we will use $126.5 million to construct two Federal Correctional Institutions in the Northeast and Southeast and complete one facility in Oregon that was only partially funded in 1987. Another $33.7 million will be used to add six satellite camps or housing units at existing institutions in Kentucky, Tennessee, Alabama, Georgia, West Virginia, and Wisconsin and a new detention facility. The remaining $35.2 million will be used for modernization and repair of existing facilities.

As new facilities are completed and we move prisoners into them, we need activation funds. The 1988 request includes $34.5 million for the Federal Prison System Salaries and Expenses Appropriation to open up 2,328 new beds. With these and other additional resources, care and custody costs of housing Federal prisoners will reach almost $761 million and require over 12,000 positions.

United States Trustees

We share the Congress' enthusiasm for the nationwide expansion of the United States Trustees. However, this expansion requires us to seek supplemental funding in 1987 if we are to accomplish our shared intent to implement the program promptly and effectively. While Congress established a United States Trustee System Fund so that oversight of bankruptcy cases would be fully funded, over the short term, receipts will simply be inadequate to launch the program. In 1987, a $16.4 million supplemental is requested to build up to an 1988 program that can provide nationwide coverage. This will require an 1988 appropriation of $53.5 million to support 893 positions. Beginning in 1989, we expect the program to be self-funded from its accumulated and current receipts.

Other Department Responsibilities

Another area that requires substantial investment is our technological capability. Among these investments is a request to spend $24.7 million to install office automation systems in the Department's major litigation and management offices. As a result of joint planning and procurement efforts, the Department is prepared to make significant gains in 1988 in the replacement of obsolete equipment and the introduction of innovative office automation capabilities. In addition, we need further investment of $11.2 million in the FBI coordinated system to provide digital voice privacy radio communications among the FBI, Drug

Enforcement Administration, and the Marshals Service. Also, the Department is requesting $13 million for the construction of an FBI-DEA Engineering Research facility at Quantico, Virginia.

Another area of significance is debt collection. The Federal Government must vigorously pursue judgments of the courts and other amounts owed to the Government. In 1986, U.S. Attorneys collected $236 million in cash from civil and criminal debts. In 1987 and 1988, we expect this to grow to $248 million and $270 million, respectively. The 1988 budget requests 80 positions and $4 million for the United States Attorneys to identify potential recoveries for fraud, abuse of Government benefits, and defaults. We are optimistic that, after a full year of operation, this small additional investment may return up to $60 million in estimated recoveries. We also intend to implement recent legislation authorizing the Department to retain private counsel for debt collection in certain pilot districts beginning in 1987. A supplemental appropriation of $2.2 million is needed to launch this program. In 1988, the request would grow to $2.8 million. We estimate that this investment may yield up to $91 million in addition to amounts collected by the United States Attorneys.

For the Civil Division we are seeking 34 positions and about $2.3 million to meet its increased litigation responsibilities in the Courts of Appeals and the Supreme Court. In addition, the Civil Division request includes 69 positions and $9.9 million to

meet increasing workload in the torts, commercial litigation and federal programs areas. These resources will be used almost entirely for the defense of the Government in litigation and the concomitant avoidance of a significant drain on the U.S. Treasury. Our Department's litigators are currently protecting the Treasury of the United States against more than $125 billion in potential liability.

There is also a need to provide the necessary resources for Independent Counsel activities. The Continuing Resolution gave us authority to transfer $1,000,000 from other appropriations for this purpose. We have notified the Appropriations Committees of a $600,000 transfer and we are in the process of identifying a source for the remaining $400,000. To augment these resources, the Department requests a supplemental appropriation of $2 million in 1987. We have not yet determined the 1988 request, aside from continuing the authority to transfer up to $1 million from other appropriations, but will keep Congress informed of developing requirements.

RESOURCES ADEQUATE TO THE TASK

Now I would like to address criticisms that have already been leveled at certain aspects of the President's budget request.

Immigration Reform

Some have criticized the Department because we have not requested the full $422 million authorized by the Immigration

Reform and Control act for 1987 implementation and the $419 million authorized for 1988. However, we feel strongly that our budget proposals in this area fully reflect our shared commitment with the Congress to see to it that the vital purposes of the Act are accomplished. The combination of our requested appropriations and anticipated fees from the legalization program should equal $294.5 million in 1987 and $397.1 million in 1988. Given the fact that the legalization program will not begin until May 5, 1987, at which point more than half the fiscal year has passed, we believe that our proposed funding is set at a realistic level. I urge that you bear in mind that an implementation effort on this scale requires time, planning, and skill in order to put the resources on stream in an orderly manner. To spend more money than we have proposed would be to waste it.

War on Drugs

There have also been claims that the Administration's budget priorities do not reflect a true commitment to the war on drugs. This is simply not the case. Ours is not a rhetorical war on drugs. It is a real war with real people fighting -- and dying.

Earlier this year, we buried two of our own: DEA agent Raymond Statsney was laid to rest in Atlanta, where he had been shot and killed while working to put a major drug trafficker behind bars. Agent William Ramos was shot and killed while working on a case in Pharr, Texas. Another DEA agent, A. D. Wright, was shot and seriously wounded in a similar incident in Florida. Let no one say that our war on drugs is a war of words.

This Administration has worked hard for the past half dozen years to put our commitment and our resources where they can do the most good -- in the field, on the front lines of this war. I could cite statistics for hours that bear this out, but a few examples will make my point:

- Federal resources devoted to drug law enforcement, prevention, and treatment have tripled during this Administration. Most of the law enforcement prevention, treatment and research efforts begun in the 1987 drug abuse initiative are continued in the 1988 budget. For example, $100 million and $137 million respectively, are earmarked for prevention and education in the Departments of Education and Health and Human Services. The Department of Defense and the Veterans Administration also have resources devoted to this.
- During this Administration, in the Department of Justice alone, drug-related funding has more than tripled, growing from $365.5 million in 1981 to an anticipated $1.237 billion in 1988. At the same time, personnel workyears attributed to drug enforcement will have more than doubled from 7,332 to 14,738.
- From its start in 1983, the Organized Crime Drug Enforcement Task Force program has grown from 1,630 positions and $112.7 million to a requested level of

2,759 positions and $199.3 million in 1988 -- this represents an increase of 1,129 positions (69%) and $86.6 million (77%).

These figures demonstrate six years of sensible continuing and incremental increases and program enhancements for the war against drugs.

It's interesting that, in light of the huge increases in funding for the drug war under the Reagan Administration I've just mentioned, some are trying to suggest that we are somehow lacking in a commitment to the war on drugs. Remember that when President Reagan took office in 1981, total federal spending on fighting drugs stood at just $1 billion. In 1987, it will be nearly $4 billion.

Our critics charge that a drop in funding in certain areas between 1987 and 1988 somehow changes all that. But upon closer examination, a different story emerges. Some $350 million of the 1987 resources represent one-time, major capital purchases, and these obviously require no new resources in 1988. In addition, many of the 1987 dollars represent one-time start-up programs, and $225 million in 1987 money represents seed grants for states and localities that need not be repeated in 1988. Other monies are appropriated in 1987, but intended to be spent over a two-year period. In short, the truth is that the federal role in combatting drugs has received continually increasing support over the past six years, and when it comes to the core federal drug enforcement, responsibilities of the Department of Justice, the

1988 budget contains more than $151 million over the amount provided in 1987.

Before we leave the discussion of our drug efforts, I would like to note that our heavy emphasis on drug investigation and prosecution is complemented by heavy manpower commitments by other organizations. In 1988, the Bureau of Prisons will devote over 4,400 workyears and $362 million of its resources to operate and construct institutions required to house drug offenders. Finally, I would like to point out that INS' 4,000 border patrol agents can now be cross-designated for drug-related cases.

STATE AND LOCAL ASSISTANCE

As in past years, we are asking for funds where we believe a core function is served. The 1988 request for the Office of Justice Programs is for $78.3 million, a marginally higher amount than our 1987 request. This will provide more resources for the National Institute of Justice and the Bureau of Justice Statistics, and provide for the maintenance of the Missing Children and Public Safety Officers' Benefits programs. Administrative support would be provided to these programs and to those scheduled for phase-out. We propose to continue full funding for travel, lodging, meals, and training expenses for state and local law enforcement officials attending programs at the FBI's National Academy and the National Institute of Corrections. As we have done in past years, we are proposing to terminate new funding in 1988 for the $67.6 million Juvenile Justice program,

the $44.4 million State and local assistance program, the $12 million Regional Information Sharing System, and the $5 million grant program that reimburses states for housing sentenced Mariel-Cubans. The new issue in this area is the $225 million grant program that Congress initiated at the end of the 99th Congress, when it added this money to the Continuing Resolution as part of the Omnibus Drug Supplemental Appropriation Act. In response to this congressional initiative, the Office of Justice Programs has developed programs that may be useful in that this grant program will yield permanent benefits. Since the full $225 million remains available until expended, I suggest that we look for positive results before we add more.

We must also remember that the Department administers a major program that significantly assists the states financially -- the Asset Forfeiture Program. The equitable sharing of assets seized from drug dealers and others and forfeited by them is a better way for the Federal Government to assist the states and localities. When the President's 1988 drug budget was prepared, this form of help for states and localities was taken into account. It was important to structure the budget so that scarce federal dollars should be spent where they count the most. We want to see sharing of forfeited assets take the place of continued out-and-out grants. Sharing of responsibility and sharing of benefits is an important, cost-free way that the Federal Government has been helping the states in the drug war.

During 1985, the Justice Department approved the transfer of more than $2.5 million to state and local agencies under the Asset Forfeiture Program. In 1986, this sharing accelerated to $24.4 million. Sharing for 1987 is estimated at $28 million, with an 1988 projection for equitable sharing to top $30 million. It represents the sort of approach we should pursue with states and localities.

AUTHORIZATION BILL

Finally, at the end of January, the Department submitted its proposed 1988 authorization legislation. The last separate authorization bill was for 1980. Copies of the Administration's proposal have been made available to the Appropriations Committees. However, we are working with the House and Senate Judiciary Committees to facilitate their consideration of this legislation and are hopeful that a bill can be enacted for 1988. Prompt enactment of an authorization bill would enable the Appropriations Committees to move forward on appropriation matters with clear direction on related authorization issues and to eliminate certain provisions from the Appropriations Act which might be more appropriately placed in an authorization bill.

Both the appropriations and authorization processes require a balancing of the many interests that compete for Federal resources. The Administration's proposal candidly favors programs reflecting an aggressive and effective enforcement of Federal law. We are proposing to continue to put resources --

the dollars and the manpower -- on the frontlines, in the field where they are most needed. And this is true government-wide. It is a carefully considered systematic strategy which had its beginning in 1981 and which involves rationally planned growth -- growth which recognizes the various developmental stages of the anti-drug battle and targets resources to make the best use of taxpayer dollars. Thus, our proposed budget seeks to fund all core efforts, investigation, prosecution, imprisonment, and litigation. If our commitment is true, resources in one area must be paralleled in other areas.

I would like to thank the Committee for this opportunity to present the views of the Department of Justice.

IMMIGRATION REFORM COSTS

Mr. SMITH. Well, as you have indicated, Mr. Attorney General, we have had some major legislation in the last few years. The largest Crime Bill in the history of the country, a 600-page Crime Bill was enacted as part of our Appropriations Bill.

Then we have had the Immigration Reform Bill, which really creates budget problems. We are going to try to do the best we can with it, but we need to explore where we are going and to develop some kind of a plan. We must try to figure out how we can get money that is not within the baseline, when we have Gramm-Rudman to deal with. We will just have to try to do it. We want to try to work together with you on that proposition.

Tell me a little bit more about Immigration Reform, which we just passed late last year. We had a supplemental which we marked up yesterday. Where are we going? How fast are we going? What kind of costs are we talking about? And are there any offsetting savings?

Attorney General MEESE. Mr. Chairman, first of all, let me thank you and Mr. Rogers and the other Members of the Committee for your assistance on the supplemental yesterday. That is a very important part, particularly the Immigration Reform Act implementation which, of course, is the largest part of that supplemental.

Commissioner Nelson will be appearing before your Subcommittee in the near future to go into more detail on this, but, basically, the amounts of money that we have proposed in the supplemental indicate a 60 percent increase over the amounts that were in the enacted Continuing Resolution for Fiscal Year 1987. And the proposal that we have in the budget before you represents an 84 percent increase over that base, the enacted appropriation. We think that this amount, while not as much as was included in the authorization legislation, is the amount that we can profitably use for the implementation and the minimum amount that is necessary.

Our plan is to implement this law by the scheduled milestone dates, some of which will be coming up in the course of the next three months, including the first of June, which is a very critical date for the employer sanctions provisions which trigger a number of other provisions of the bill.

I think that the implementation plan has been going very well in the sense that the regulations for implementation have been put out for general public comment so that we can get the reactions and can gauge not only the operations but expenditures on the basis of those comments.

Our plan is, of course, to have the Immigration Reform and Control Act fully in place during this fiscal year, Fiscal Year 1987. Some of the costs will increase remarkably during Fiscal Year 1988, because that will be the first full year in which the Act is implemented. And we do have offsetting funds coming in through the legalization program which it is our desire to make virtually self-supporting as the Congressional Report that accompanied the legislation indicated. As a matter of fact, the fees that will be required for legalization will be such that they will be roughly comparable to the fees now charged to persons seeking entry into the

United States by lawful means, and will also carry out the Congressional request that we make the program self-supporting.

LEGALIZATION FEES

Mr. SMITH. When will we know exactly what those fees will be?

Attorney General MEESE. It is my understanding that they will be set and presented for comment as part of the regulations within the next 30 days.

Mr. SMITH. We have some controversy here in the Congress now, some wanting to put a cap on those fees; some wanting them to be higher; and some wanting them to be lower. The amount of $175.00 per applicant has been passed around. I do not know if it is a legitimate number or not. Are you telling me that nobody knows at this point?

Attorney General MEESE. The estimates are being made, and the area of $175.00 to $195.00 is roughly the region in which they are working at the present time. I believe when Commissioner Nelson is here, he can probably give you a more precise figure. That is certainly in the range which they are considering, and they are also looking at the possibility of a maximum fee for a family as a whole.

REDUCTION IN APPREHENSIONS

Mr. SMITH. In addition to fees and income that will come in to offset some of this cost, there is some indication that there are not as many apprehensions. Will there be some savings?

Attorney General MEESE. I do not think there will be any savings because we have to maintain the effort on the border. Now, you might say that the detention costs and that sort of thing could possibly be down. That is something we will have to see. First of all, whether the decreased apprehensions continue, however, we are already over what had been anticipated in the past as far as detention costs because of the record number of people apprehended during the past year. So I cannot promise that there will be any savings as far as detention costs. I do know that our operational costs on the border have slightly increased because we have devoted more resources. And we think that this is one of the reasons why fewer people are coming across. Obviously, by deterring illegal aliens from coming into the country, we cut down on costs overall in the long run.

Mr. SMITH. Some of the reductions in apprehensions, I suppose, could be because some of them are staying in the country, instead of going home on weekends.

Attorney General MEESE. Well, this is possible. And, of course, this will be easier to find out once we have the legalization program in effect. I am very hopeful, and I think this was the intent of the Act, that there would be a much more definite dividing line between those who are lawfully in the country and those who are here illegally once that legalization or rationalization of status can be achieved.

Mr. SMITH. I was down on the border one weekend, as I told the Committee yesterday, and as you fly in one of those helicopters and look down, you spot four or five aliens and a van pulling up. It is a

friendly deal. They just get in the van and go in and get a good meal and then they take them back across the border. Then, about 2:00 o'clock in the morning, there was not anyplace open to eat, so I went into an oil station to have a candy bar. Four or five individuals, obviously illegals, came in and got a package of cigarettes. I said to the fellow operating it, "They seem to know where they are going and know their way around." "Oh, yes," he says, "they come in here about every weekend." They go home on the weekends, you see. You wonder how much of that figures into our apprehension. Maybe they will never get caught, I do not know. Maybe they know a certain place to get across. It is just impossible to close that border completely.

Attorney General MEESE. It is impossible, Mr. Chairman, to close it completely, but we think that with the additional resources, with the total impact of the new law, and with a variety of improved activities on the border, including better cooperation between the agencies, with the Customs Service as well as INS working together, we can do a much better job than has been done in the past.

DEALING WITH THE DRUG PROBLEM

Mr. SMITH. Now, I know the Chairman of the Full Committee asked you some questions about drugs, and the plan for handling this problem. Do you have any new proposals with regard to legislation, or anything else to tell us about drugs?

Attorney General MEESE. Mr. Chairman, we have now as I mentioned, by Executive Order, a Government-wide coordination program. We are in the process of looking to see whether it might be desirable to have this program put into legislation. And that is something we will be discussing with you and the Members of the Committee during the course of the next month or so. There is a requirement that, in April, we provide to the Congress a report on suggested legislation. And we will be having a meeting of our National Drug Policy Board later this month to consider what might be reported to the Congress, and it will be discussed with you and the Committee.

Mr. SMITH. Do you see any reduction in the need for considering this drug problem to be a major problem in this country? Is there any overcoming any of the problem?

Attorney General MEESE. Mr. Chairman, reports that have just recently been put out show that we are starting to make some progress. For example, in the recent high school survey, and this was something that I discussed as recently as this morning with Dr. Macdonald, the new White House Drug Advisor, it appears that marijuana use in this country has levelled off and has slightly decreased. It appears that heroin use is remaining stable, and also, if anything, slightly decreasing rather than increasing. But cocaine use is still a problem. The initial data would indicate that we do not have more people using cocaine than before, but that those who are using cocaine are using heavier doses of it. As a result, we are having more people die from cocaine use, or being admitted to emergency rooms for treatments than we have in the past.

So I would say that with the amount of cocaine coming into the country, we will still have to continue the level of effort that we

have at the present time. But I think there is no question that our law enforcement activities, as indicated by seizures of drugs, by seizures of assets of drug dealers, and by the arrest of major traffickers, is continuing. We think that if, for the next three years, we continue our efforts on both the enforcement side and on the prevention, education and health side, as the Anti-Drug Abuse Act of 1986 suggests we have a good opportunity to make some real strides, not only in decreasing the amount of narcotics coming into the country, but also in terms of decreasing the market for those drugs.

Mr. SMITH. Decreasing the market is a big thing. You know, about the only time we ever had any substantial reduction in the use of marijuana was during a period of time when there was a scare because we were using certain kinds of herbicides. There was a scare that it might have contained a cancer causing agent, and that scared them for a while. So then what do we do? The Congress outlaws the use of that herbicide. I really believe we need something innovative. Some people laugh about it, but I do not think it is really that bad. We could infiltrate the drug trade and put in some kind of a chemical that would nauseate some people once in a while. They would not know whether or not what they were buying was going to nauseate them. I think it would have some effect. We need something like that. We have got to cut down on use, or we will never be able to overcome this problem.

Attorney General MEESE. I agree, Mr. Chairman. One of the things that we are trying to get across now is the health hazard of this use so that people do not even have to become nauseated, that they will understand. There is a lot of medical research that has taken place in the last two or three years on cocaine. And all of that research has increasingly shown that the health hazards are greater than ever anticipated and, also, the empirical data show that the potential for addiction is greater than ever suspected. Most people ten years ago had the feeling that cocaine was somehow a harmless, some even called it a recreational drug. But most people today, those who are informed about it, realize that it is the most addicting of all the drugs because of the impact on the pleasure centers of the brain.

Mr. SMITH. I do not think it was even 10 years ago that the people out at NIH would appear before another Subcommittee and I would ask them questions like "What evidence is there that cocaine is addictive? What harm does it do?" They would answer, "Well, we don't have evidence that it does any harm." They did not have evidence that it did not do any harm either. But they always seemed to emphasize that they did not have evidence that it did any harm, which is misleading. At least, the public is being made aware of the problems now.

Attorney General MEESE. Mr. Chairman, let me just say, if I might, there is plenty of evidence today. The recent deaths of people in excellent health, such as Lennie Bias, the basketball star, and Don Rogers, the football star, indicate that if people in peak physical condition cannot tolerate this kind of drug, it is very likely that most human beings in worse physical condition will have similar ill effects.

Mr. SMITH. Well, after sitting there and listening to NIH for 25 years, the best experts we have, I am convinced that any drug, legal or illegal, has some side effects. Everybody must decide whether they prefer the side effects, whatever they may be, compared to taking the drug. When they understand the risks, then people will quit looking for these safe drugs that give them some recreational benefits.

Mr. Rogers?

DRUG ENFORCEMENT REQUEST

Mr. ROGERS. Thank you, Mr. Chairman.

Attorney General, it is good to see you again.

Let me continue a moment on the drug issue. You are requesting in your 1988 proposal an increase for the Drug Enforcement Administration, of around $40 million.

Attorney General MEESE. Yes.

Mr. ROGERS. That is a rather hefty increase. How can you justify that kind of an increase?

Attorney General MEESE. Mr. Rogers, we justify it on several grounds. For one thing, we consider this a very excellent investment in improving overall law enforcement resources. Our DEA agents are working with local police increasingly in every section of the country. Just recently, within the last month, we finally achieved the goal of having a Drug Enforcement Administration agent in every one of the 93 judicial districts throughout the country. We had not even had that before.

A lot of people do not realize that DEA only has about 2,500 agents, which, as you scatter them across the country and in foreign countries, is not very many. So, it is a matter of increasing our agent strength within the United States on a priority basis, to make sure that we can not only handle the DEA cases, but, also, use this as a catalytic effect to get more law enforcement resources generally through the coordination of State and local law enforcement agencies.

The other major area where we need assistance is in overseas activities. We have DEA agents in some 43 foreign countries, because our emphasis has been getting the drugs at the source, before they come into the United States. The DEA agents work with the police in those countries to improve their capabilities through training, through leadership, through operational instruction, as well as providing an excellent intelligence resource on drug trafficking, which is useful, not only in those countries and between foreign countries, but, also, of course, in the United States.

Most of the major successes we have had in arresting traffickers and seizing drugs coming into this country have been the result of intelligence gained overseas.

Mr. ROGERS. Well, you are requesting for the DEA alone for next year $522 million, which is, obviously, slightly over half a billion, just for that one agency. In addition, you are requesting increases for the FBI, the U.S. Attorneys, the Federal Prison System, the U.S. Marshals, the Legal Divisions, much of which or all of which is drug-related enforcement, is it not?

Attorney General MEESE. Yes, it is.

Mr. ROGERS. I wonder if you have any figures that can give us an idea of how our drug spending, drug enforcement spending has increased over the years?

Attorney General MEESE. I would be happy to do that. I can give you a rough order of magnitude, and that is, since 1981, in the Department of Justice, we have at least tripled the amount of money that went into drug law enforcement. Throughout the Government itself, I think we would find a similar increase. At the same time, I think we have to recognize that the problem itself has vastly increased. It has increased both in terms of the total amount of narcotics coming into the country, and, as I have indicated earlier, the total number of users. We have had some levelling off now, but the total amount of drug use and drug users has increased remarkably during the period from the seventies to the eighties.

In addition to that, we are still, with some of these expenditures, making up for the tremendous cuts that took place in DEA and the FBI during the latter part of the 1970's. From a high in about 1972 or 1973, in terms of both FBI and DEA. they went down to a low point in the budget in 1979, 1980 and 1981, in that period. So part of the increase we have had is to recoup and part of it has been building up to meet the increasing threat.

As far as the prisons and the U.S. Attorneys and the Marshals, these are areas which, in the early years of the eighties, we did not have the kinds of increases that we had in law enforcement. And that is why it is important now to keep pace as the increase in persons being indicted and prosecuted and ultimately convicted is getting into those portions of the system.

Mr. ROGERS. Well, it is ironic that it seems like the more big seizures you make, the more people think the drug business is getting bigger. So it is an ironic thir g that, in spite of these huge seizures you have had in the last few months, even yesterday, that the perception is, whether or not it is real, that the drug traffic is increasing. I suspect it is, in fact, real. In spite of these increased resources that you have placed in the drug war, supply remains high.

In March, 1984, the huge raid that took place at the Tranquilandia cocaine processing facility in Colombia, yielded 10 tons of cocaine seizure. There was no observable change in the street prices after that seizure, a clear sign of abundant supplies.

So I want to congratulate you and the agencies on an excellent effort at getting at the traffic coming into the country. It is a sea that you are fighting, we understand, but there have been some remarkable efforts going on in seizing the drugs coming in.

SYNTHETIC DRUGS

Mr. ROGERS. I wonder if you could tell us what impact, if any, the development of synthetic drugs have on our enforcement efforts?

Attorney General MEESE. We had, for a period of time, a considerable industry starting to grow in the dangerous drug analogues area, substances which approximate the effect and the chemical qualities of illegal drugs. With the Anti-Drug Abuse Act of 1986, and other legislation, we now have a better means of acting against these dangerous drug analogues. So I think that problem is being

addressed. It is not totally eliminated, but it is certainly being addressed more effectively because chemists no longer feel that they can manufacture these new analogues with impunity and, actually, without violating the law.

LEGALIZATION FEES

Mr. ROGERS. Let me switch quickly, with what little time I have left in this round, to the immigration question.

The Chairman discussed with you briefly the proposed fees for processing an illegal alien who makes a claim for citizenship. And, I believe you said, the fee was being discussed in the range of $175 to $195, is that accurate?

Attorney General MEESE. That is my understanding of what the INS is doing, yes.

Mr. ROGERS. My understanding is that the fee for a person who has waited 10 years to come into this country and abided by all of the laws of the land, and showed respect for the system and for us and our laws, that their processing fee is $185 per person. I think the American people would be offended if the fee for an illegal alien, who shows no respect for American laws or customs or civilization, who breaks down the doors to come into the country, if they are charged less than that legal person who has abided by the laws. I wonder what your thoughts might be about that.

Attorney General MEESE. I can understand that point of view, Mr. Rogers, and, to some extent, share it. I think it is important, and I understand that the fees will certainly not be less than that for the kind of person you described who has abided by the law throughout his or her entire period of entrance into the United States. I think the INS is kind of caught in a bind, as the Chairman suggested, between those who feel as you do and others who feel that the fees ought to be much less because of the relative poverty of some of the people applying.

I think that what the INS has tried to do is to satisfy two criteria. One, that the fees be roughly comparable, certainly not any less than those charged people who have abided by all the laws; and, secondly, that they do serve to reimburse the Government fully for the costs of processing the individuals, as the legislative history behind the Act indicated.

So, in trying to steer a course between the two different points of view from the Congress, I think the INS has pretty much taken the right path.

Mr. ROGERS. Well, I just wanted to make a point also that for those who say these are all poor people who cannot afford this fee, I would hasten to point out that many of them have paid thousands of dollars sometimes to get into the United States by hook or crook, and will also stand to gain a lifetime of happiness and freedom and high wages in the United States. And $175 is peanuts, frankly, compared to the benefits that will come with American citizenship. And, for all of those who cannot afford to pay that fee, there are many others who can. So I would hope that the fee is kept substantial, and certainly the very minimum, at a level that will recompense the Government for the investigations that go on

and also not be less than, certainly, the fee for the immigrants who entered legally.

Attorney General MEESE. We certainly agree on that point.

FUNDING FOR IMMIGRATION REFORM

Mr. ROGERS. Further, some question has arisen on whether or not you are asking for enough money for 1988 for enforcement of the new law. You have requested increases for the INS from $732 million to $839 million, which is an increase of $107 or so million. Do you think that is adequate?

We were told last week by Deputy Attorney General Burns and Commissioner Nelson of INS that at least a half million illegal aliens are succeeding in getting into the United States each year from our Southern border, and whoever wants to get in, eventually can, and will get in.

Are you asking for enough money for enforcement, border agents and such personnel?

Attorney General MEESE. We believe we are, Mr. Rogers. We think that the amounts that we have requested are sufficient. We recognize the concerns of the Committee on the baseline and how much above, in addition to the baseline, we can get in any one year. I think we are asking for all the enforcement resources that the Immigration & Naturalization Service feels they can assimilate in a given year.

I think it is interesting to note that if we are given the border patrol agent staffing that has been requested in the 1988 proposal, we will have literally doubled the number of border patrol agents from 1984 to 1988. We will have doubled the size of the border patrol.

Mr. ROGERS. How many will that be at the end of 1988?

Attorney General MEESE. That will be 4,850 agents.

Mr. ROGERS. And four years ago it was 2,400, roughly?

Attorney General MEESE. It was 2,354 in 1984. And I might point out, if we go back in history again to the low point, back to about 1979 when we had about 1,900 agents.

Mr. ROGERS. Do you believe that the sanction provisions of the Immigration Bill, without the added resources you are requesting for border patrol activities, will be adequate to control the problem?

Attorney General MEESE. No, sir, I do not believe they would be without the additional resources for the border patrol.

The whole process has to be a combined, comprehensive approach to the problem, that is, increased enforcement at the border along with the employer sanctions.

Mr. ROGERS Thank you, Mr. Attorney General. Thank you, Mr. Chairman.

SUBCOMMITTEE BUSINESS

Mr. SMITH. Let me interrupt at this point, because we are going to have hearings in the near future with the FBI, The U.S. Marshals Service, the Secretary of State, the State Department's Foreign Buildings Account and Department Security and Communications programs. Parts of those hearings need to be closed for securi-

ty reasons and, also, in some instances, there may be some unmitigated cases. Under our Rules a motion is needed to permit the Chairman to close all or parts of those hearings.

Mr. Early?

Mr. EARLY. Mr. Chairman, I move that the Chairman of the Subcommittee be authorized to close the Fiscal Year 1988 hearings, or portions thereof, of the Federal Bureau of Investigation, U.S. Marshals Service, Secretary of State, the Classified Security and Communications items of the State Department's Salaries and Expenses appropriation, and the classified security items of the Department's Foreign Buildings Appropriations.

Mr. SMITH. Under the Rules, we will have a roll call.

The CLERK. Mr. Smith.

Mr. SMITH. Aye.

The CLERK. Mr. Alexander.

[No response.]

The CLERK. Mr. Early.

Mr. EARLY. Aye.

The CLERK. Mr. Dwyer.

Mr. DWYER. Aye.

The CLERK. Mr. Carr.

Mr. CARR. Aye.

The CLERK. Mr. Mollohan.

[No response.]

The CLERK. Mr. Whitten.

Mr. WHITTEN. Aye.

The CLERK. Mr. Rogers.

Mr. ROGERS. Aye.

The CLERK. Mr. Regula.

[No response.]

The CLERK. Mr. Kolbe.

Mr. KOLBE. Aye.

The CLERK. Mr. Conte.

[No response.]

Mr. SMITH. The motion carries by the sufficient number.

Mr. Early?

ADMINISTRATIVELY UNCONTROLLABLE OVERTIME

Mr. EARLY. Thank you, Mr. Chairman.

I want to welcome the Attorney General.

Mr. Attorney General, I would like to be very narrow with my line of questioning. So I will specifically ask you a couple of questions.

Almost fourteen years on this Committee, and the FBI, DEA and the INS agents are still underpaid. We give them automatic overtime and call it uncontrollable overtime. The account is $87 million. Why can't the Justice Department recommend that we increase the base pay of those three particular agencies to an adequate salary. I think it would provide for honest and better accounting. Has the Department considered raising their pay since they are available 24 hours a day.

Attorney General MEESE. Mr. Early, I think there is some value to what you say. On the other hand, I think the way it is set out

now as uncontrollable overtime, it does make it clear to the agents and to the administrative structure of those agencies that it is for that purpose. For one thing, agents who do not participate in activities that require overtime do not get it.

Mr. EARLY. No, you are wrong, Mr. Attorney General. I think that when you hire someone you say, "Your salary is going to be $20,000 plus $5,000 overtime."

Attorney General MEESE. Because we know that in virtually all of the agent categories, overtime is required as part of their job.

Mr. EARLY. There is not one exception.

Attorney General MEESE. But if we created additional functions that did not require overtime, this would be a clearly stated exception.

The other thing is, they are required—it is, in fact, part of their job—that they do put in additional overtime whereas, if it was merely declared a part of salary, there could be some resentment on the part of the agents when they are asked for overtime.

Mr. EARLY. Mr. Attorney General, everyone, Judge Webster, everyone with the FBI, every Attorney General we have ever had, the authorizing Committee, and Members of this Committee that have discussed it before, all agree we should change it. If we increased their pay to what their actual salary should be, particularly because they are available all the time and no law enforcement agent works eight hour days—I really think it would be a constructive thing to do. We call it uncontrollable overtime, but it is the most controlled overtime I have ever seen.

Attorney General MEESE. Mr. Early, I would be happy to. As I said before, I think there is considerable justification for it, as long as it does not result later on in an unfortunate capping of salaries because people either at OMB or the Congress see the salaries as being higher than they think they should be. If there is an understanding that this would not result in a net reduction of salaries, I think there might be some value to it.

Mr. EARLY. I think if you set it up and say we are going to adequately increase their pay and that there is no overtime and they are available all the time—I think it would fly through. We just need to point the finger at who is stopping it.

Attorney General MEESE. I will be happy to either request that or give you the substantial reasons against it in the minds of the people administering the agent population in those bureaus.

Mr. EARLY. Will you provide for the record why you do not want to do it? I think if you will check with your staff, everyone will want to do it.

[The information for the record follows:]

ADMINISTRATIVELY UNCONTROLLABLE OVERTIME REVIEW

The Department is in the process of reviewing the current administratively uncontrollable overtime process in order to evaluate its management, cost, equity and effect on morale. After completion of this review, the Department will discuss its findings and recommendations with Mr. Early.

EFFECT OF SENTENCING GUIDELINES ON THE JUDICIARY

Mr. EARLY. This Committee has listened to the Judiciary be very critical of us this year, saying we are putting more responsibility

on them and we are not giving them the personnel or funds. But we cannot keep adding personnel to their budget. The Sentencing Commission Guidelines will soon go into effect. I would want to know who will be responsible for probation and the parole of those currently incarcerated. Now, is it going to be judges who are ultimately responsible? And, if so won't this be a tremendous amount of additional work for the judges? They suggest they are overworked now, and they want us to provide an impact statement with every piece of legislation this Congress passes.

You know, we should address some of these problems with the Sentencing Commission, particularly before we abolish the Parole Commission.

Attorney General MEESE. Obviously, there will not be much impact for a while because the sentencing guidelines will not go into effect until some period of six months or so after they are promulgated to the Congress, which I believe takes place in April. So, for all practical purposes, it will be Calendar Year 1988 before they take effect.

When they do, the people who are now in prison serving their sentences will still be under parole jurisdiction. When the sentencing guidelines go into effect, then there will be no parole, and the judges will set the sentences, but they will not have the responsibility for supervising parole, because parole will be stopped. There will instead be the fact that the person is sentenced to prison for a determinate period of time. Where we are going to have problems will be in the need for additional prison capacity because, by and large, the sentences will tend to be longer than they are at the present time.

Mr. EARLY. But, Mr. Attorney General, when they are released, they will be released under supervision of a Probation Office for X number of years, which is a function that is now performed jointly by the Parole Commision and Probation Office. Won't this increase the responsibility of the probation officers and the Judiciary? Shouldn't we look into the consequences of this more thoroughly before it happens.

Attorney General MEESE. Mr. Early, it is my understanding the judges will have no responsibility for them after they are released from prison. They will then be released from everything.

Mr. EARLY. I do not think that is it, but I will double check and get back to you.

PRISON POPULATION

Another thing Mr. Attorney General, in your statement on prison population, where you project it will reach 44,878 in 1988—do these numbers reflect the expected increase in population due to the passage of the Anti-Drug Abuse Act?

Attorney General MEESE. Yes, they do.

[The following information was submitted for the record, subsequent to the hearing:]

PRISON POPULATION PROJECTION

The prison population projection of 44,878 in 1988 includes the impact of increased drug enforcement over the last several years, however, it does not include

the effects of the Anti-Drug Abuse Act of 1986. This projection was developed before the Anti-Drug Abuse Act was enacted, and is in accordance with the earlier projection of 55,200 inmates in 1993. Revised population estimates are being developed to account for the impact of the Anti-Drug Abuse Act.

Mr. EARLY. But your estimates, Mr. Attorney General, suggest that in 1993, which is only six years away, you are going to have 55,200. The estimates I saw are 67,000. I don't have to tell you that we just cannot keep building prisons. We do not have the finances to do it. We have to make some changes. I saw that the State of Florida, passed a law mandating early release in certain circumstances. I know it is not popular, but the Federal Government is going to have to consider this. We have got to let the least dangerous, whose sentences are almost up, out.

Attorney General MEESE. Mr. Early——

[CLERK'S NOTE.—The following note should be inserted into the record at this point:]

A portion of the actual transcription of the hearing is missing as the sound system was out for a brief period. The following information is provided from notes taken during the hearing:

Attorney General Meese stated his belief that it is less expensive to keep convicted felons in prisons than to release them, based on the costs of the crimes such felons commit when released and the recycling through the criminal justice system. Mr. Meese also stated that he felt that prisons are a very good investment.

Mr. EARLY. We are coming in with numbers that in theory sound good, but you and I both know we are not going to be able to house this many inmates. Last year on the Floor of the House, Mr. Smith faced a 5 percent across the board cut in prisons, in parole, and in judiciary, in this Committee's bill, and it passed in the House.

Attorney General MEESE. I agree, and it caused us a great problem, and continues to cause us a problem, as the Chairman and I discussed just before the meeting here. But I think in terms of cutting back on prisons, this would be the most unwise decision that could be made. I think if we really look at it, we are suffering now from the fact that prison building, prison construction did not keep pace with crime or the number of criminals during the prior 25-year period, and we are paying for it now in having to construct these prisons to keep up. But we are, to follow up on one of your comments, Mr. Early, looking at a number of things that might substitute for actual incarceration for certain types of prisoners.

Mr. EARLY. My suggestion, Mr. Attorney General, is that we have got to do something different, whether electronic surveillance, wrist bands or whatever, because we simply cannot keep going the way we are with the population expanding the way it is.

Attorney General MEESE. I think one of the things you mentioned, States are turning prisoners loose. We feel that there is a correlation between prisoners being turned loose in some of the States and the slight upturn in crime that we have experienced in 1986, after crime had gone down for the preceding three years as a result of increased incarceration.

AIDS IN PRISONS

Mr. EARLY. Mr. Attorney General, have you considered a prison hospital just for prisoners with AIDS. I read that the State of New York is going to let the prison inmates that have AIDS released. I

read in the Massachusetts paper that they are considering doing the same. I cannot think of anything more irresponsible. It sounds very compassionate, but, in my opinion, it is not. They are still carrying and could be transmitting the disease. What is the Justice Department doing with respect to this problem?

Attorney General MEESE. I agree with you about the lack of wisdom in a policy that simply releases prisoners because they have AIDS. In the Federal Prison System, this has been a matter which the Director has been watching to see whether we have a real problem. His latest report to me is that this is under control at the present time, but it is something we are watching very carefully.

ALTERNATIVES TO PRISON CONSTRUCTION

Mr. EARLY. Mr. Attorney General, you and I are both in the same business. Everyone says everything is under control, and nothing is under control. The Justice Department is going crazy. You have prison overcrowding, and more and more prisoners and some estimate that we are going to have up to 67,000 inmates by 1993. We have just got to make adjustments and changes in the system—some that are not popular. Everything we do on your side and our side, is the popular decision. But not necessarily the right decision because those are often unpopular.

Attorney General MEESE. Well, as far as we are concerned, we think we are trying to make the wise decisions, whether they are popular or unpopular. And one of the wisest decisions we can make is to have enough prison space to accommodate the criminals that ought to be in prison.

Mr. EARLY. Mr. Attorney General, I think the Federal Prison System is probably the finest run Federal agency we have. What I am concerned about is these numbers you are suggesting—with estimates up to 55,000. We also hear the Justice Department's theory that no prison facility should be over 500 beds. The 55,000 estimate, which is conservative at best, would be an increase of about 10,000, which would mean building 20 new prisons. You and I both know this is almost an impossibility.

I want to be that big tough guy too and say, "We are putting everyone in jail". But, my goodness, we cannot keep doing that. We do not have a practical solution to this growing problem. I do not think we can continue this trend. There is no way Mr. Smith can get the money or sites for this many new prisons. So, if you do not get the money, what are you going to do?

Attorney General MEESE. We will have to do as we have done in the past, which means overcrowded facilities, which means increased dangers to both the inmates and, more particularly, the people who work in the prisons.

I agree with you, our prisons are very well run, and it is a result of this careful management and good handling of the prison population that has prevented uprisings and disturbances at the prisons. But, again, I think it is a decision that society has to make; you either have adequate prisons for the number of prisoners or you don't. I think you reach a point where it will level off. I do not think we are going to go on building prisons forever, but I think,

again, as I mentioned, we are suffering from a lack of building for a number of years. Also as Congress makes new matters crimes, Federal crimes, we have to have someplace to put the prisoners.

Mr. EARLY. I have one final question. Florida's program of early release that I mentioned earlier—with their State parole system, they are going to let everyone out 30 days or 60 days early. Would you consider something like that?

Attorney General MEESE. Yes, we can, and we have considered that. We have been adjusting release dates to accommodate overcrowding, without increasing hazards to public safety, we have considered this and will consider it again.

Mr. EARLY. Thank you, Mr. Chairman.

DIRECTOR FOR JUVENILE JUSTICE OFFICE

Mr. SMITH. Mr. Carr?

Mr. CARR. Thank you, Mr. Chairman.

General, since June 6, 1986, there has been an Acting Director at the Office of Juvenile Justice and Delinquency Prevention. Do you plan to make that a permanent appointment?

Attorney General MEESE. Yes, a permanent appointment has been made and I believe that is pending, either at the White House or before the Senate Judiciary Committee at the present time. A permanent appointment has been made.

[The following information was submitted for the record, subsequent to the hearing:]

NOMINATION OF VERNE L. SPEIRS

On March 11, 1987, the Senate received the nomination of Verne L. Speirs to be Administrator of the Office of Juvenile Justice and Delinquency Prevention.

STATE AND LOCAL DRUG GRANTS

Mr. CARR. Now, you have proposed the termination of the State and local drug grant program, about $225 million, passed by the Congress last year, and signed into law by the President. In my State of Michigan, they are now developing an anti-drug program based on that money that was provided in the law. And six months ago, during the election, this Administration could not get close enough to the microphone to complain about the drug problem, and it could not wait to embrace the drug fighting programs that we enacted in the Congress. You have handed out this money to the States, and now, after one year of wonderful rhetoric, you propose to revoke it, leaving the States holding the bag.

I understand from your statement that you stated a belief that now it is time for the States to take over. We might have a philosophical disagreement on that, but I think most people would agree one year is not enough to dangle that carrot out there, get them off and running, and then tell every State Governor and State legislator that they have got to raise taxes to pay for a continuation of all these wonderful things we got started under this Administration's prodding.

Would you not agree that maybe one year is just too short when you hand out this kind of money?

Attorney General MEESE. Mr. Carr, I think all of us would like to continue this for the full three years for which it was authorized. But, in a sense, I guess the Members of the Committee ought to get together and decide what we ought to do. Because you have already heard what a difficult time we have with the total expenditures, which are increasing considerably above the baseline that we had to start with. You have heard Mr. Early say we cannot afford the money for the prisons.

I think we have to decide on our priorities. Quite frankly, if we have to decide with limited fiscal resources, between putting money out to the Federal Government or to the States, which have a much lower percentage of their law enforcement resources devoted to narcotics enforcement than does the Federal Government, I think we have to put our resources in support of the Federal program to keep the narcotics from coming into the country in the first place, rather than giving it to State governments.

Now, if every State and local government would have 10 to 15 percent of their law enforcement resources devoted to narcotics, as does the Federal law enforcement community, then we would have probably somewhere between four and five times as much activity going on at the local level without the $225 million.

Mr. CARR. Well, I appreciate that, General. We just probably have a difference in priority. You have to put together a budget and then we have to act on it. I think our Appropriations Committee though is likely, as we have in the past, to stick with the priorities that Congress has spoken about in our Authorization Bill, and I know that what Mr. Early says is true and across the board, but I also see this Administration proposing a lot for things like SDI and other programs that I think are of dubious priority relative to the drug fight.

After all, the President himself has led us in this, and I think that is wonderful. And I think the fight on drugs is something that every American feels in their community, and they feel it in their homes and their schools. I think it is one of the great things that we have been able to do to get this ball rolling; that the Congress came together and put aside all of our little turf battles and put this law together, and now it seems we are going to, in George Aiken style, declare victory and walk away from it; and I do not think we can do that.

Attorney General MEESE. Well, we certainly are not. As you and the Chairman and Mr. Rogers have already noted, we have a considerable increase in the funding for the Federal role in narcotics included in our budget proposal. Indeed, this Administration, particularly compared to the last Administration, has done a phenomenal job of making narcotics enforcement a major priority, as I mentioned earlier. We have virtually tripled the amount of law enforcement resources that are going into narcotics enforcement in the course of the past five or six years.

So there is no lack of priority here. It is just that there are other priorities in Defense.

I guess you could make the statement that if we gave up on SDI, we would reach a point in the near future sometime when we would not have to worry about narcotics at all because our national problems would be of a considerably different nature. But I

think that we have tried to assess for you and for this Committee the proper allocation of priorities so that we can maximize the Federal role, to prevent the narcotics from coming into this country, and to investigate and prosecute the major traffickers. I think that is the appropriate Federal role.

Mr. CARR. Well, you came out of local law enforcement and so did I. I guess we just have a different notion about what the Federal-State relationship in this regard is, and I hope the Committee would continue this money.

Attorney General MEESE. I came out of local law enforcement at a time when there were no Federal programs, and I think that was a preferable way of operating. You did not have to wait from year to year, based on the vagaries of what the Federal Government might do.

INS AUTOMATION

Mr. CARR. Last year, the computer upgrade project, known as Hardware Acquisition II, was a subject of concern to this Committee.

Could you comment on the status of progress in computerizing the INS?

Attorney General MEESE. Yes. Mr. Carr, the INS has been working, I believe in close consultation with the staff of this and the other Congressional Committees, because there is a considerable amount of Congressional interest in this, to do a fairly complete study of the entire automation program within INS, and they are moving forward on that.

I think the Commissioner can give you more details when he appears before the Committee. But I do know that as a result of that study, they have come into compliance with what GAO recommended, and are going forward with new contractors based on the results of that study.

Mr. CARR. Now, I understand in your testimony before the Senate Judiciary Committee on February 4 of this year, you indicated that you were proposing 1,800 new positions in INS for the border patrol to carry out the enforcement aspects of the Immigration Bill. I understand that a portion of the increase of the Hardware Acquisition II contract was also for border sensor monitoring equipment. Can you give us an explanation of, to what extent the proposed equipment has been put in place, and has it been in any way effective in reducing your personnel request? How do these two relate?

Attorney General MEESE. The two relate on the basis that the personnel request contemplates the availability, in the long run—a lot of this equipment is in the process of being acquired and is not in place yet—of both the requested number of personnel which is in the budget proposal, and their augmentation by the sensor equipment and other automated equipment that is being used.

If we did not have the automated equipment and the other technological backup, we would probably need more officers, or else would have a decreased level of enforcement.

INDEPENDENT COUNSEL

Mr. CARR. We have all heard a little discussion now on the constitutionality of the Special Prosecutor. Can you give the Committee any indication of whether there is a cost differential between the Special Prosecutor being court-appointed or being an employee of the Justice Department?

Attorney General MEESE. There would be no cost differential whatsoever.

Mr. CARR. It would not have any effect.

EQUITABLE SHARING

Attorney General MEESE. I would mention also, if I might, one other thing in regard to local law enforcement. One thing we have tried to do is to increase considerably the amount of funds that go to local law enforcement which do not constitute a burden on the taxpayer, and that is the forfeited assets which we seize from the drug dealers. Under the laws which you and the rest of Congress passed, we are able to share these with local law enforcement. We found this is a very important way in which we can augment local law enforcement, because it has to be used for law enforcement. We find that it is being used directly for drug enforcement, and not dissipated among the general fund or among law enforcement generally.

IRAN/CONTRA INVESTIGATION

Mr. CARR. Thank you for that comment.

I understand that Brad Reynolds, the Assistant Attorney General for Civil Rights, may be working on the Iran investigation. Is that true and, if so, what is he doing?

Attorney General MEESE. No, he is not working on the Iran investigation.

Mr. CARR. All right.

Attorney General MEESE. As a matter of fact, the only people in the Department who are working on that are those who have been requested by the Independent Counsel; specifically, lawyers in our Office of International Affairs, and perhaps some other lawyers in the Criminal Division, and representatives of the FBI.

JUDGESHIP NOMINATION

Mr. CARR. Okay. I have three questions for the record, Mr. Chairman, and I just went to close by commending you for yesterday. I understand you sent to the White House sometime ago but the White House sent it up to the Senate yesterday, the nomination of Judge Rob Bell, a Circuit Court Judge, a dyed-in-the-wool Republican, but, nonetheless, a person who has got tremendous integrity and is a very popular judge in Michigan. I think the Justice Department and your office ought to be commended, and I will do anything I can to help you on the other side of the aisle in the Senate.

Attorney General MEESE. Thank you very much.

Mr. CARR. Thank you very much.

Mr. SMITH. Mr. Regula.

Mr. REGULA. Thank you, Mr. Chairman. It is nice to see you, Mr. Attorney General.

The area that I would be interested in is Antitrust. I think you have probably exhausted drugs pretty well this morning. But I am concerned about what I see happening in Antitrust. Perhaps it is a reaction to the trade balance deficit that we have experienced, but perhaps an over-reaction, in saying, well, all of our production has to be merged into giant companies in order to compete.

I would be interested in how you feel prospectively about the role of the Justice Department in determining whether mergers do create somewhat of a monopolistic situation in contravention of what has historically been the desire as a policy in the United States to maintain a highly competitive environment. I did note in the news the other day that there was, I think, a new person appointed in Antitrust, and the article indicated that maybe there would be a tougher line. So I would like your comments on that whole area.

Attorney General MEESE. Mr. Regula, actually, this Department has continued diligently and with a great deal of vigilance its activities against any practices that are anti-competitive, or which promote a monopoly situation.

I think perhaps what you are referring to is the general recognition by economists of almost every persuasion that in judging competition today, we cannot limit ourselves to competition strictly within the United States, but have to look at global competition, because in the modern world, that is the area of competition. But this has not been in any way a relaxation of either our activities against anti-competitive or monopolistic practices or the kinds of harm that results from a monopoly situation, such as price-fixing, bid-rigging, market allocation, or the other things. As a matter of fact, if anything, our enforcement activities have been stepped up in these areas.

Mr. REGULA. I gather from your response that you feel that present antitrust policy is adequate; that it has been and prospectively will continue at about the same level. Would that be a fair summary?

Attorney General MEESE. That would be correct. Both the level of activity and the level of resources requested will be adequate to ensure a competitive marketplace, and to make sure that the antitrust violations, such as those that I mentioned, are not being committed.

Mr. REGULA. Do you see the Justice Department with any role in unfriendly takeovers. I know that, basically, is probably outside of your jurisdiction, but, on the other hand, it does have some impact on this matter of competition.

Attorney General MEESE. We have looked at it very carefully. SEC, of course, has the major role, but we have looked at it from the standpoint of whether takeover practices fall into any of several categories. One would be where it would decrease competition. Of course, we apply the same standards to that as we would any other type of business combination.

Secondly, we have been looking at those situations in which there might be some sort of fraud involved. And we have been vigilant in that regard.

The third area is the financing. We have been looking to see whether there might be illegal activities in regard to the relationship between those seeking a takeover and financial institutions, because bank fraud and fraudulent loans have been a very large area of our economic crime emphasis. So I think, from the Justice Department's standpoint, we are being very careful in looking at that.

On the other hand, I think it is important to note that as recently as the past week, a number of economic analyses have indicated, without specifying any particular takeover proposal, that perhaps the business community generally has derived a certain amount of benefit from some of the takeover activity.

But, as far as anything that might border on illegal activity, we have been very careful to watch that.

Mr. REGULA. So you are saying your role is to ensure that there is not any fraud or illegal activity and not so much whether there is any competitiveness.

Attorney General MEESE. That is right.

CRIMINAL STATUTES ENFORCEMENT

Mr. REGULA. I do want to commend you on the tough stance that the Department is taking on criminal activity and with some substantial success, I note, in New York City, for example. I think that this is very important because organized crime, obviously, spills over into the public sector in the sense that it has a potential for the corruption of public officials. And it appears that you are having a lot of success in that field. I do not know if you would like to comment on that or not.

Attorney General MEESE. I appreciate that, Mr. Regula. Actually, both organized crime and public corruption, along with narcotics and economic crime, are among the top priorities that our Department is going after. And I think one of the things we have done in the last two years has been to identify specific priorities so that we can target our resources towards those priorities. This has helped us to utilize in the best way possible, the resources we have received through the Appropriations.

Mr. REGULA. I understand that the RICO statutes have been a big help.

Attorney General MEESE. The Racketeer Influenced Corrupt Organizations statute, as it is fully known, has been a tremendous vehicle for law enforcement agencies to use. There are still some areas in civil RICO which need some reform, as I think you are aware, and we are also working on that side of the house.

Mr. REGULA. And you will be proposing, through your Department, some changes?

Attorney General MEESE. Right.

Mr. REGULA. Thank you, Mr. Chairman.

PRISON POPULATION PROJECTIONS

Mr. SMITH. Mr. Mollohan.

Mr. MOLLOHAN. Thank you, Mr. Chairman, General.

General, you talked in your written testimony a bit about the necessity for constructing additional confinement facilities, prison confinement facilities. What do you project is the trend line for the future prison population? To what extent do you project it to increase, and when, and if, do you expect it to level off, and at what level?

Attorney General MEESE. I wish I could give you some assurance that it will level off and at what level.

Mr. MOLLOHAN. Do you have any projections?

Attorney General MEESE. We projected through 1993, and we see a continuing increase at the rate of about 2,000 prison spaces per year needed up to a number of 55,000 in 1993. Those are our projections at the present time.

Mr. MOLLOHAN. That trend line is up all the way?

Attorney General MEESE. The trend line is up during that period of time.

Mr. MOLLOHAN. And you stopped projecting in 1990?

Attorney General MEESE. 1993.

Mr. MOLLOHAN. 1993, and the trend line continues to go up. So you do not have any projection of when this trend might level off?

Attorney General MEESE. The only thing I can say is that I think we will reach a point where it will level off because the increases in crime that we saw during the seventies are not continuing. Crime, while still increasing and still too high, has increased slightly in the past year, and projections are similar for this year. We did have a levelling off in 1982 and 1983 and 1984. So I would think there is going to be a point where it will level off.

What has happened here reflects changes in the character of the Federal approach to crime. We have had much greater emphasis in the Federal Government on drug offenses, and we now have something like 37 percent of the inmate population in Federal prisons for drug offenses. If you add the drug-related offenses, that percent would be even higher, well over half.

So that is one of the reasons we have this continual increase in the Federal Prison System.

Mr. MOLLOHAN. Is that where most of the increase is coming from?

Attorney General MEESE. Yes.

Mr. MOLLOHAN. Increased drug enforcement?

Attorney General MEESE. It is.

Mr. MOLLOHAN. To what extent do you plan to handle this increased population by the construction of additional facilities, which Mr. Early was exploring with you; and to what extent, if any, do you plan to handle this increase by contracting out, if you will, with State or local governments?

Attorney General MEESE. Right now, there is no real ability to contract out with State and local governments for sentenced prisoners, because their facilities are filled to capacity throughout the country as well.

We do contract out with State and local prison facilities, or jail facilities, for unsentenced prisoners, prisoners awaiting trial, whenever we can. And that has worked out very satisfactorily. Al-

though, even that is being reduced because of the overcrowding that they are experiencing in those jurisdictions.

In terms of our own Federal system, we have a building program which continues. What has happened over the last three years is an extensive building and renovation program, an increased housing program in existing facilities and in the building of new facilities. We think that if this building program continues, as it has for the last three years, for the next five to seven years, that this will keep up with the trends that I mentioned earlier.

Mr. MOLLOHAN. The building program request that is contained in your budget assumes this population increase to 1993.

Attorney General MEESE. Yes.

Mr. MOLLOHAN. And is designed to accommodate that increase; is that correct?

Attorney General MEESE. That is correct. It will accommodate it to the extent that we would hope that by 1993, by the mid-1990's, we would reduce the level of overcrowding to about 20 percent. So we would still be 20 percent overcrowded, but that is a tolerable figure.

Mr. MOLLOHAN. That is certainly an unpleasant prospect.

Attorney General MEESE. Well, it is an unpleasant prospect, but I think it is realistic, and also I suspect it may, in one sense, be a pleasant prospect in the sense that putting a person in prison is a known crime-prevention method.

USE OF STATE AND LOCAL PRISON FACILITIES

Mr. MOLLOHAN. Have you explored to your satisfaction and exhausted the possibility of contracting out or sharing prison facilities with State and local governments?

Attorney General MEESE. What we have done is, wherever possible, to share facilities, as I mentioned, particularly for unsentenced prisoners. If there is excess capacity any place, we are quick to seize on that and to utilize it. We have also done some things such as sharing with State and locals available prison facilities that are unused in the military. This has worked out very satisfactorily and we continue to seek opportunities to do that.

Mr. MOLLOHAN. Has your contracting with the State and local governments, has that proven to be satisfactory?

Attorney General MEESE. Yes, it has. The Marshals Service program of contracting for the housing of unsentenced prisoners has worked out extremely well and, also, the CAP program, the Cooperative Agreement Program, in which we share in the building of local facilities. In return, we are able to house Federal prisoners in them. It has worked out very well.

Mr. MOLLOHAN. Is that cost-effective relative to the custodial responsibilities being fully assumed by the Federal Government?

Attorney General MEESE. It is extremely cost-effective because in many places, in many districts, it would be uneconomical for the Federal Government to build an entire detention center because you would not need that for the number of prisoners we have awaiting sentence. But, if we can share with a county jail, for example, or a State institution, then we are able to have our bed

spaces in what then becomes, for both the county and the Federal Government, a very economical arrangement.

Mr. MOLLOHAN. Has there been any program to include sentenced prisoners, any contracting out program?

Attorney General MEESE. Actually, we have not had any surplus capacity for sentenced prisoners. They are different types of facilities, generally, that you utilize. So there has not been any excess capacity.

Mr. MOLLOHAN. So when you have a sentenced prisoner, that prisoner goes to a Federal facility?

Attorney General MEESE. For the most part, yes.

Mr. MOLLOHAN. There are no sentenced Federal prisoners housed in State facilities or local facilities?

Attorney General MEESE. Not that I know of, unless it would be a temporary housing pending transportation to a Federal facility.

[The following information for the record was submitted subsequent to the hearing:]

CLARIFICATION OF HOUSING FOR SENTENCED PRISONERS

There are certain categories of prisoners who are confined in State, local and private facilities. These include those committed under the Federal Juvenile Justice and Delinquency Prevention Act who must be separated from adult offenders as well as being placed in community-based facilities near their residences whenever possible, adult offenders whose lives may be endangered in Federal facilities, and offenders with short sentences, generally 180 days or less. In 1987, the Federal Prison System estimates an average juvenile population of 90. Adult offenders placed outside the Federal Prison system for protection will average 110 and short-term offenders will have an average daily population of 1,500.

COST EFFECTIVENESS OF CAP

Mr. MOLLOHAN. I am just wondering if that program has proved cost-effective for a pre-sentence prisoner. How about the CAP program?

Attorney General MEESE. Well, the CAP program, you see, is for pre-sentence prisoners who have to be in close proximity to the courthouse. But we find it is much more cost-effective for sentenced prisoners to have them in our existing or contemplated Federal facilities.

Mr. MOLLOHAN. Thank you, Mr. Chairman.

Mr. SMITH. Mr. Kolbe?

CUBAN REPATRIATION PROGRAM

Mr. KOLBE. Thank you, Mr. Chairman.

General Meese, it is a pleasure to have you. I want to concentrate my questions for the most part on the new immigration legislation. But, first, I would like to ask you one question.

Are we having any success, or can you tell us what the progress is, with regard to negotiations or efforts with Cuba to return the Marielito boat people?

Attorney General MEESE. I wish I could give you a more optimistic assessment of that, but right now we are not having any success. As you know, we did have success for a short period of time, a little over a year ago.

Mr. KOLBE. We did not return any, actually, did we?

Attorney General MEESE. Yes, we returned, I think, 200 or so, and then the thing was shut down. We are continuing our efforts to try to achieve that because that is the only long-term solution for about 6,000 or more Mariel boat people who are in this country, many of whom are in custodial institutions, and who exacerbate the prison population problem we just discussed.

Mr. KOLBE. You do have authority under the ruling of the courts now that you can hold them in Bureau of Prisons, is that correct?

Attorney General MEESE. I believe that is correct, and we have some of them there.

Mr. KOLBE. Yes, I know you do. You also, of course, have a lot of them in detention centers, and one of them right in the middle of a very large trailer park in my District. And when problems occur and they go over the fence, they are running all through the trailer park there. But, despite these problems, I want to compliment you. We have had an extremely good working relationship with your people on that in solving some of the problems, providing better lighting, better fencing, and so forth. But the problem seems to be one that does not seem to have any end to it.

Attorney General MEESE. There will not be any end to it until we can somehow get these people back to Cuba where they belong. And, as I say, we are continuing our efforts but, in the course of the past year, they have not been very fruitful, unfortunately.

Mr. KOLBE. What should I tell my folks who say, "Just put them on a boat and push the boat off the shore?"

Attorney General MEESE. Well, I have got to be candid with you. We did consider that at one time, but we were worried. There were some rather elaborate plans to head the boat in the direction of Cuba and just let it beach itself there. Unfortunately, that did not turn out to be practical.

IMMIGRATION LEGALIZATION PROGRAM

Mr. KOLBE. It has some kind of simplistic appeal, however, to it.

General Meese, on the immigration legislation, do you people have a better handle, at this point, on how many amnesty applications you think you are going to be processing, and how fast they are going to be coming in, how many the first year, and so on?

Attorney General MEESE. We do not have any way to assess that at the present time. The Immigration Service is now trying to get some estimates by talking with local officials. I think when Commissioner Nelson appears before you, he would have a more up-to-date picture of that. But part of it, of course, was sending out the regulations and setting up the administrative structure so we would know how these are to be handled, which will have some impact on the volume. But this is something that we are going to have to learn in the course of the six months after the middle of May.

We hope that the plans that have been made will be able to accommodate the numbers, but it is something we will have to adjust with this Committee if our plans are not borne out by the actual numbers. But we have rough approximations which the Commissioner can acquaint you with, based on his discussions with local officials.

Mr. KOLBE. Perhaps you are right, some of my more specific questions should be retained for him, and I will do that. But let me ask a couple of other questions.

At the present time, when some individual is picked up and is going to be deported and he says, "Wait a minute, I am going to qualify for amnesty", what are you doing with that person?

Attorney General MEESE. The Service is trying to use a considerable amount of compassion and give attention to the same kind of evidence or documentation which will ultimately have to be to see if, in fact, this is correct, that the person really does have residence in this country prior to 1982.

Mr. KOLBE. Do you do a kind of pre-amnesty investigation?

Attorney General MEESE. The policy of the INS at the present time is that if a person would qualify under the Immigration Reform Act for legal residence in this country, they are not deporting them at the present time.

Mr. KOLBE. But truly, you cannot make a full-scale kind of investigation that will be required before the person will be given temporary residence?

Attorney General MEESE. They are using rule of thumb and trying to make some accommodation as best they can.

Mr. KOLBE. Under what kind of circumstances are they being kept? Are they being given a temporary status, or custodial?

Attorney General MEESE. They are just not being deported at the present time.

Mr. KOLBE. They are not being kept in a custodial facility?

Attorney General MEESE. No. Again, it is a matter of the person giving prima facie evidence. For example, if they produced a driver's license issued in 1981, that is the kind of thing that would be helpful to indicate that there is at least a prima facie case that they would qualify under the provisions of the Act.

LEGALIZATION FEES

Mr. KOLBE. I think you made some mention in your opening remarks and earlier questioning that I missed, and I apologize. You talked about the range of the fees for processing would be somewhere between, you think, $175 and $195, I believe?

Attorney General MEESE. That is the estimate that I have been given, as I mentioned earlier in answering questions by other Members of the Committee. The two basic conditions for those fees are, first of all, that they be roughly equivalent to the fees charged for people who are coming in legally and, secondly, that they be adequate to provide full reimbursement for the cost of the processing of these people, as the Congress has directed.

Mr. KOLBE. Your view is that the direction for reimbursement is full reimbursement, meaning overhead, all costs, everything?

Attorney General MEESE. It is for the costs. I am not sure what goes into it and how much of the overhead. The Congressional act that provided for this says that the understanding of the conferees is that the fee level be sufficient to cover the costs of processing applications and, again, should be comparable to those charged aliens seeking entry as immigrants.

I am not sure whether it includes, or whether they have tried to load into that number, all of the overhead costs, including, for example, headquarters salaries and that. But I think there is no question it will comply with the Congressional directive, and that is that it cover the cost of processing the applicants.

Mr. KOLBE. Do you think this fee, if it is in the $175 range, will have a significant impact on the numbers that will be applying for amnesty? Is it the view of the Department that it will?

Attorney General MEESE. I do not think it will be a limiting factor, as was pointed out, I believe, by Mr. Rogers earlier. Many of these people have paid much more than that to get into the country illegally, and with the potential for earning power in the country, what they are earning at the present time, should be able to support that. We do not think it will be a limiting factor.

EMPLOYER SANCTIONS

Mr. KOLBE. Turning for just a second to the question of employer sanctions. Do you anticipate a very significant cost in enforcement of the employer sanctions, civil and criminal penalties? I realize you have a figure in there for that. Are you anticipating a large number of proceedings, criminal, civil proceedings?

Attorney General MEESE. We put in a figure which is our estimate of what is going to be required. I would hope it will not be a large number. But I think we have to be prepared and our experience during the first full year, which is Fiscal Year 1988, will give us a much better ability to project costs for the following fiscal years.

I think we are going to have a very high level of compliance by employers with the law. And, certainly, the concern about employer sanctions I think has been one of the factors that has led to less illegal immigration into the country during the past month or two.

Mr. KOLBE. One of the greatest concerns I think that I hear expressed is the question of verification of status.

You know, there has been talk that everybody will eventually have some kind of ID card that everybody carries in order to work in this country? Would you comment on that?

Attorney General MEESE. Yes. I think both in the development of the law itself and, certainly, in its implementation, and that includes the regulations going out for comment early, the pre-comment period and the formal comment period, we want to be sure that we do not get into a situation where the handling of this problem creates a lot of other problems that interfere with people going about their business normally.

The verification program is really designed to allow an employer to rely on the kinds of identification that people would carry anyway, Social Security cards, driver's licenses, other indicia of legitimate residence in this country. I have looked at the form and I have made some suggestions on simplification of forms that are used. The whole thrust of the Department's review, and this is something that reaches up into the top management of the Department, as well as in INS, is to not have a complicated process or something that will impose an unreasonable burden upon individ-

uals and will not be an unreasonable burden even on the person who is here from another country.

BORDER INSPECTIONS OPERATIONS

Mr. KOLBE. Thank you. One final question: Customs and Justice and Immigration Service share responsibility for all of our border-crossing stations where they have responsibility for processing people who come across the border, whether it is their goods or their persons. Who has the ultimate responsibility between those three organizations for deciding how long, what hours a crossing is open? Obviously, one has an impact on the other. If it is decided to keep it open 24 hours a day, it has got to be staffed by both agencies.

Attorney General MEESE. My understanding is this is worked out between the agencies, but that, by and large, there has not been a problem as to this in terms of differences of opinion between the agencies. What they have worked out is Memorandums of Understanding so that a particular Service has the lead at a particular point. I think, generally, Customs has the lead at several of these ports of entry and for certain purposes INS has the lead in patrolling in between. They seem to work this out.

I visited several ports of entry myself, and they seem to be working pretty harmoniously together.

Mr. KOLBE. It is your understanding that a Memorandum of Understanding would exist to cover each of those cases?

Attorney General MEESE. Either a Memorandum of Understanding or an unwritten agreement between the agencies. But I have not heard of any problems between the agencies as to difficulties in terms of different viewpoints as to how long the crossings ought to be open which would then produce personnel problems.

Mr. KOLBE. Thank you, Mr. Chairman.

ANTITRUST QUESTIONS

Mr. SMITH. Mr. Attorney General, Mr. Regula mentioned acquisitions and mergers. There was a big one announced yesterday, Chrysler acquiring American Motors. Did your Department give a green light to that ahead of time?

Attorney General MEESE. I do not know, Mr. Smith.

My impression is that that has not yet been completed and, undoubtedly, that is one thing that will be looked into by the Department if this falls within the range where they have to view these things in the Antitrust Division. I think that one of the things that has to be recognized in that merger is that it appears, at least, that a good portion of the ownership of American Motors, which has been in overseas hands, will be coming back into American hands. So that may be one of the factors that would weigh in the judgment.

Mr. SMITH. I noticed with interest that you are proposing to fold the Antitrust Division into General Legal Activities in the Department. What is the reason for that?

Attorney General MEESE. This is only for budget purposes. It makes no organizational change and this is so we can have more flexibility, so that if, as I mentioned in answer to Mr. Regula's

question, we do need more resources at sometime during the year for antitrust enforcement, which is something that cannot be predicted, we would have the flexibility. It, along with the U.S. Attorneys, is the only litigation activity that is now outside of the General Legal Activities account. And this is to give us that kind of flexibility.

Mr. SMITH. For as long as I can remember, it has been a separate line item. Do you know the history of this?

Attorney General MEESE. I do not, Mr. Smith. It antedates my coming into the Department. We have done a complete review of our budget process within the Department. I have created a Departmental Resources Board so that we can have much higher level management attention to the budget. I think that has produced a better budget during the past two years. And, as a result of it, one of the recommendations of that board was that we have this kind of flexibility, so that all litigation activities are handled in the same way.

Mr. SMITH. Well, frankly, I am reluctant to do that. We might make some arrangements though, so that if the Subcommittee goes along with it, it may be reprogramable during the year, but I think we ought to identify the two separately, surely.

DRUG ABUSE EDUCATION AND PREVENTION

One more question on the drug issue. You mentioned the amount of money that has been spent to reduce the supply of drugs and certainly our figures show $1.3 billion. Also, they show that $237 million is requested by Education, Health and Human Services for prevention education. It is about a six to one ratio. That is a large amount to be spent trying to control a supply, compared to education and prevention. In your drug plan that you are talking about, are you proposing to do anything with regard to education?

Attorney General MEESE. Yes, we are, Mr. Smith. One of the things that you will see in our drug strategy is that the law enforcement agencies themselves have taken a much greater role in drug education and prevention activities. As a matter of fact, some of that money that is listed as enforcement because it is going to enforcement agencies will actually be used for drug prevention and education.

Each of our United States Attorneys is charged with organizing a major prevention education activity in their judicial districts, utilizing both law enforcement and non-law enforcement agencies. We have had great success with this. In addition, DEA and FBI have a sports drug awareness program in which they have used very effectively famous athletes who have participated in programs with young people to discourage the use of narcotics by them.

I might also point out that one of the reasons for the apparently disproportionate amount going to enforcement at the Federal level versus education prevention is the fact that most of that does occur at the local level. And this is why we feel that the Federal funds should go into interdiction, interstate investigation and international activities against drugs to keep drugs from coming into the country, whereas, since our schools and health departments are lo-

cated at the local level, that is where their share of the budget is generally larger.

Mr. SMITH. Well, I cannot let this go by without taking an opportunity of making a plug for a little $2 million program called Law-Related Education, which no Administration has ever asked for any money for. It is under another Subcommittee's jurisdiction and I keep getting Members to go along with a couple million dollars to encourage the development of programs so that local schools will have a course in what we used to call "Civics". The schools will invite law enforcement and other types of officials to come to the classroom and talk to these young people about what they do in their jobs.

We have students graduating from high school today that have not the slightest idea what the difference is between our Government and the French Government, for example, let alone the Russian Government. They have no idea what public officials do in their particular jobs. Here is an opportunity to do just what you are talking about if we had a better program in law-related education.

Attorney General MEESE. I agree with you, Mr. Smith. As a matter of fact, to show both points that you have made that our kids do not know enough, and that there are those programs, I participate in some of them. This one happened to be in the lower grades, and the teacher asked the class, "Do you know what the Attorney General does"? And one fellow put up his hand and said, "Yes, he is the one who puts those notices on cigarette packages that say smoking is hazardous to your health."

Mr. SMITH. Well, I have to follow that up and say what I would want you to do is participate on the decision—how much money should go for law-related education.

Any other questions?

Mr. ROGERS. Mr. Attorney General, we do not think those warnings need to go on cigarette packs.

Mr. SMITH. If there are no other questions at this time, we will have a few questions for the record.

Attorney General MEESE. Thank you very much, Mr. Chairman.

Mr. SMITH. Thank you very much.

Attorney General MEESE. Thanks to you and your Committee for your kindness this morning and your courtesies.

Mr. SMITH. Thank you.

[The questions for the record and the answers submitted thereto follow:]

QUESTIONS FROM MR. NEAL SMITH

ATTORNEY GENERAL

Immigration Reform

Question:

If this trend of fewer illegal alien apprehensions continues, do you believe the Border Patrol will still require a 50 percent increase in agents?

Answer:

We are taking a very cautious position before acknowledging a trend of fewer illegal alien apprehensions. The numbers of apprehensions have declined. While we hope the Immigration Reform and Control Act of 1986 is causing the decline, it is too early to tell. Some people may be sitting and waiting; others who usually exit the country on weekends may be remaining in the United States until they can apply for temporary residence.

INS advises the following: While there has been a decline, apprehensions remain high. If things continue as they are, the Border will have the second highest apprehension rate in its history. Even a 30 percent drop in apprehensions for the remainder of 1987 would put this year's number substantially above the 1935 record setting rate of 1.2 million apprehensions. Whether or not the recent decline in apprehensions is a short-term phenomenon or a long-term shift in illegal immigration trends on the Southern Border, incidents of illegal entry remain at near-peak levels. Analysts at INS have examined the available data and believe that high water levels in the Rio Grande have caused part of the decline.

It is also important to consider the role the Border Patrol has been given in the country's effort to interdict the traffic in narcotics and dangerous drugs. In the first six months of participation in Operation Alliance the Patrol seized 50,600 pounds of marijuana, 3,392 pounds of cocaine and 40,000 units of dangerous drugs. In February of this year in one instance, Patrol agents seized 600 pounds of cocaine at a traffic checkpoint in Big Bend National Park, Texas. The Patrol is literally the Nation's only permanent enforcement presence between established ports of entry on the borders. In this capacity, existing personnel must be augmented through Operation Alliance on the Southern Border to counter efforts of drug smugglers. We believe that the Congress recognized this in adopting Congressman Moorhead's amendment to Section III of the Immigration Reform and Control Act of 1986, which is directed at expanding the Patrol to reduce illegal immigration and stem narcotics traffic by bringing the border under control.

Economic problems in Mexico, Central and South America and other parts of the world, as well as political unrest, are factors that will continue to drive people to this country. There is no question

that we need continued strength at the border as well as in the interior. Our border, which is 2,000 miles long on the Mexican side and 4,000 miles long on the Canadian side requires sufficient resources to provide an effective enforcement posture. Our budget request allows an increase of resources to a point where we can do a more effective job. We hope that increased border staffing, combined with sanctions and other provisions of the Immigration Reform and Control Act of 1986, will allow INS to perform a more composite job in addressing all aspects of the immigration problem.

Question:

There is also some concern about the Department's ability to implement the legalization program adequately. Are you confident that the Immigration and Naturalization Service will be able to collect sufficient application fees to fund your legalization requirements fully?

Answer:

INS advises that its best estimate is that it will collect sufficient fees to fund our 1987 requirements. However, because no one is sure exactly how large the illegal alien population eligible to apply for legalization really is or what percentage of this population actually will apply to legalize their status, these estimates may still require future correction.

War on Drugs

Question:

Mr. Meese, as Chairman of the new National Drug Policy Board, will you have authority to establish budgets, develop priorities, and direct resources for agencies and organizations outside of the Department of Justice (e.g., activities designed to reduce the demand for illegal drugs)?

Answer:

Yes, the National Drug Policy Board will oversee all Federal efforts to reduce the supply of and demand for illegal drugs. Under the Executive Order, the Board will have the authority to review, evaluate, and develop Federal drug policy, strategy, and resources. This will include the authority to develop priorities, including budgetary priorities, for all Federal agencies and organizations involved in drug control efforts, and act as an advisor to the President on drug law enforcement programs and policies. In carrying out its budget responsibilities the Board will work closely with the Office of Management and Budget in providing the necessary guidance to ensure resources alloted to the war on drugs are sufficient and are utilized effectively.

Question:

How much do you believe you will obligate for the drug grant program in 1987?

Answer:

Although all of the State and local drug law enforcement assistance funds, including the Prison Capacity Program, are committed to the States, it is possible that not all States will have their State strategies completed and applications submitted by September 30, 1987. It is too early in the process to determine exactly how many States will receive their awards in 1987, but we expect that the majority of the funds will be awarded this year.

State and Local Assistance

Question:

In your statement you point out that the request for State and local assistance in 1988 of $78.3 million is "a marginally higher amount than our fiscal year 1987 request". This statement is slightly misleading, don't you think, when compared to 1987 appropriations. This comparison shows your 1988 request to be a large decrease of over $337 million, due to the Administration's decision to again terminate new funding for most of the State and local assistance grants. Can you provide the Committee any new information that would persuade us to change our position of the past several years to restore funding to these assistance programs that the Administration has deleted?

Answer:

Obviously, I do not believe that my statement regarding the 1988 request for the Office of Justice Programs was misleading. As indicated in my opening statement which was furnished in writing to the Committee, I was discussing a budget for those Federal programs "where we believe a core function is served." With regard to the State and local assistance grants, the question continues to be whether or not we can afford to continue these programs in light of limited Federal resources. It is a matter of priorities and a matter of what is the Federal role.

One important point that I would like to add to the justification material contained in the budget is that there are numerous other programs in operation within the Department of Justice which provide valuable assistance to the State and local criminal justice community albeit not in the form of direct financial assistance. These programs perform functions and provide services to State and local criminal justice agencies at all stages of the process, including such areas as: training and technical assistance, jail construction and detention, State and local drug and terrorism task forces, investigative support, asset forfeiture sharing, and others such as conciliation and mediation services, antitrust prosecutions, forensic

laboratory services and fingerprint identification processing. The Department of Justice plans to continue to strengthen these forms of State and local assistance and work toward enhancing the cooperative ties which have been established as a result of these efforts.

Question:

You mention that the States will receive funds from other sources to offset the loss of these grants, namely their share of assets seized from and forfeited by drug dealers. Why do you believe that substituting an estimated $30 million in asset forfeitures is a better way for the Federal Government to assist the States and localities, than the $337 million appropriated in FY 1987?

Answer:

Obviously, there are more factors to be considered in this matter than the question suggests. We have long held the belief that governmental grant-making programs are but one approach to the many available for addressing problems. Certainly in the area of drug abuse and narcotics trafficking, we believe that unique weapons are in place which permit us to pursue a promising and effective battle, including broader uses of the new Assets Forfeiture Fund as provided in the Anti-Drug Abuse Act of 1986.

Further, drug law enforcement is a joint responsibility between Federal law enforcement agencies and State and local jurisdictions and the program of equitably sharing the drug-related seized and forfeited assets demonstrates how cooperative Federal/State/local ties can be fostered and fruitful efforts rewarded. Through the first four months of this fiscal year, over $12 million has already been disbursed under this arrangement; at this rate, it appears that our 1987 estimate of $27 million may be understated. The Assets Forfeiture Fund represents but one important means by which we are seeking to assist States and localities in the drug war.

In addition, other programs within the Department provide other, non-grant assistance to the State and local law enforcement community. These include such services as: training and technical assistance, jail construction and detention, State and local drug and terrorism task forces, investigative support, and others such as conciliation and mediation services, antitrust prosecutions, forensic laboratory services and fingerprint identification processing.

Federal Prison System

Question:

Is the Justice Department studying any innovative alternatives to institutional confinement of prisoners?

Answer:

The Federal Judiciary and the Federal Criminal Justice Community have traditionally made extensive use of alternatives to confinement. In 1986, two-thirds of the 115,000 Federal offenders were under supervision in the community. The principal alternative to incarceration continues to be probation. The Bureau of Prisons has also sought alternatives to institutional confinement of prisoners. During the past five years, the Bureau has increased the Community Treatment Center population from 948 to approximately 3,050 inmates. This 222 percent increase has reduced significantly the institution-based population. In addition, the Bureau of Prisons has implemented a Special Curfew Parole program where eligible inmates are released up to two months earlier than their original parole date on the condition that they remain at their residence during special curfew hours. A U.S. Probation officer supervises the parolees during this special period. The Bureau of Prisons is also considering the limited use of electronic monitoring, popularly referred to as house arrest, for those offenders who do not present a threat to society. In the future, we will continue to explore other alternatives to incarceration consistent with public safety. However, since the Federal inmate population is increasingly becoming more criminally sophisticated, we believe finding additional alternatives to institutional confinement will become more difficult.

General Legal Activities

Question:

Do you have any idea why these accounts were originally provided separate appropriations? If necessary, please research this question and provide an answer for the record.

Answer:

The legislative history of litigative components in the Department has varied little throughout the last hundred years. As the Nation grew and the legal complexities of our society increased, funds were appropriated to form what are now the legal divisions. Until 1950, the salaries and expenses of these forerunners were appropriated separately. The 1951 budget presented to Congress grouped the divisions under one appropriation for the first time with the exception of the Antitrust Division and offices of the United States Attorneys. At the same time, the Miscellaneous Salaries and Expenses, Field, Department of Justice and the District Attorneys, Etc. appropriations were combined to form the United States Attorneys and Marshals appropriation. This action combined what were considered field activities under one title and appropriation.

The Antitrust Division's predecessor was formed in the early 1900's. That appropriation structure is no longer germane or applicable to the management of the Department today. It now makes more sense to combine more similar operations under one roof as a more efficient use of resources.

As noted at the time of the hearing, consolidation of these three appropriations will give the Department maximum flexibility in trying to contain costs. Congress has already agreed to allow the Department to use resources from the GLA appropriation to fund office automation systems in, not only the legal divisions, but also the Antitrust and the U.S. Attorneys. The Congress has understood the similarities that exist among these appropriations and the efficiencies that can be achieved if we approach the problem in a more unified and comprehensive manner.

While there may have been some distinction between field and headquarters activities in the past, today's law enforcement and justice activities require more innovative, coordinated and aggressive management. We believe that consolidating the three appropriations is the best approach to containing costs and providing the quality of legal services demanded by our citizens.

Litigating Component's Office Automation

Question:

What is the status of the Department's current effort under the Uniform Office Automation Case Management (UOACM) Project?

Answer:

The Department is continuing to focus on the following UOACM project tasks.

- Support for the consolidated office automation procurement for the Criminal and Tax Divisions and the United States Attorneys' Offices (USAOs). Currently, representatives of these organizations and the Justice Management Division (JMD) are in the process of reviewing vendor proposals.
- Evaluations of AMICUS II prototypes in the Civil Rights and Land and Natural Resources Divisions have been completed and installation of AMICUS II is proceeding in both divisions.
- A Department case management system prototype has been completed. A production system has been designed and developed and is currently being installed.

Question:

What coordination has taken place between JMD and the Department's litigating divisions in relation to this effort?

Answer:

The six litigating divisions and the USAOs are continuing to participate in the project under the direction of the Deputy Attorney General (DAG) who serves as Chairman of the UOACM Project Steering

Committee. The Assistant Attorney General for Administration also serves on the Steering Committee. In addition, the Deputy Assistant Attorney General, Office of Information Technology, coordinates and monitors the on-going tasks that are being performed by various project working groups and calls meetings of the User Subcommittee to address on-going project tasks and issues.

Question:

What is AMICUS II and how does it differ from AMICUS I?

Answer:

AMICUS II is a fully integrated, office automation system linking a variety of specialized workstations and other system components through a dual, local-area network. It is comprised of shared minicomputers with multi-workstation clusters. The standard workstation provides access to word processing, high-speed printing, litigation support, legal research and case management data bases. The network includes portable and personal computers which can operate as independent units or, when connected to the system through phone lines, can duplicate all of the functions of the standard workstations in the office.

AMICUS II provides attorneys and other workers with a single law office automation system far superior to the capabilities and applications of the first generation of AMICUS. AMICUS II takes advantage of new improved technology to meet the Division's office automation requirements. Workers access all the features of this integrated system through single terminals located at each employee's workstation.

The advantages of AMICUS II over AMICUS I are:

- o A wider array of technically advanced data entry and processing, data communications and printing;
- o Increased storage and processing capacity, and easier programming;
- o The availability of three types of workstations --the legal support workstation, the stand-alone intelligent workstation and the portable workstation;
- o An electronic spread sheet package integrated with word processing and fully capable of providing data for queries, reports and graphs for purposes of litigation support, case management, and legal administration;
- o A highly flexible communications capability compatible with a wide range of external systems; and
- o A technical flexibility to incorporate new features as they become available.

Question:

Why is the Civil Division expanding its AMICUS system and how does this fit into the Uniform Office Automation Case Management Project (UOACM)?

Answer:

The Civil Division is not expanding AMICUS. In 1986, the Division completed the replacement of the AMICUS I equipment with more technologically current AMICUS II equipment. AMICUS II now serves the entire Division, including its field offices.

One of the recommendations of the UOACM Project called for the continuation of the AMICUS II system in the Civil Division and for a test of the system in the Civil Rights and Land and Natural Resources Divisions and the Department's Senior Management offices. Evaluations were subsequently conducted on the Division prototypes, reflecting improvement in productivity, and the decision was then made to install the AMICUS II system throughout these organizations. In addition, the consolidated procurement for the Criminal, Tax and U.S. Attorneys system requires the successful bidder to provide an office automation system that will be compatible with AMICUS II.

Question:

What has the Department done to deal with the long-standing problems of incompatible definitions for case management terms, incomplete data, and inconsistent reporting among the litigating components?

Answer:

A successful Department Case Management System prototype was tested and, based on the results of the prototype, a Department Case Management System has been designed and developed. The Department is in the process of implementing the Case Management System based on the standard definitions approved by the six litigating components and the Executive Office for United States Attorneys.

Question:

How much of the $24 million the Department is requesting under Legal Activities Office Automation will be used for coordination purposes and how much for procuring terminals for the Tax and Criminal Divisions?

Answer:

None of the $24 million being requested for 1988 will be used for UOACM Project coordination purposes. Project management and coordination to the UOACM Project is provided by using existing resources. The Department is committed to moving towards compatibility in the office automation area and will be utilizing the Legal Activities Office Automation funding in support of systems (hardware and software) acquisitions and related services and

support. Of the $24 million requested in 1988, all of the money will go to support procuring terminals and related systems support (site preparation, installation, hardware, software, training, maintenance, and technical assistance) for the Tax and Criminal Divisions and the other litigating components, including the Antitrust Division and the U.S. Attorneys.

Department Leadership

Question:

In June 1985, the Department Resources Board (DRB) was established to initiate the development of an integrated management system for the Department of Justice with a long-range policy focus. Has the DRB developed a set of long-range goals for the Department? How are these Department goals reflected in the plans of the Department's offices, boards, divisions, and bureaus? Will you please set forth the Departmentwide program and administrative management priorities for this Committee to consider in analyzing the Department's budget request?

Answer

Long-range goals have been set for the Department. Each Department component has developed management plans to reflect the goals and objectives as they are applicable. The plans rank the goals and objectives based on importance, feasibility, capability of accomplishment, timeliness and availability of resources. Following are the Policy Goals and Management Objectives (many of which are well underway) for the Department of Justice.

Policy Goals

A. Prevention and Control of Crime

1. Narcotics Enforcement and Prevention
2. Organized Crime
3. Terrorism
4. Economic Crime
5. Missing and Exploited Children
6. Public Corruption
7. Obscenity

B. Improvement of Criminal Justice System

1. Victims of Crime
2. Prison and Jail Improvement
3. Coordination of Law Enforcement Activity
4. Sentencing
5. Improved National Crime Data
6. Expanded International Crime Control Cooperation
7. Promote Truth in the Court Room

C. National Security

1. Counterintelligence
2. Safeguarding of Classified Information
3. Immigration Enforcement and Reform

D. Protection of Civil Rights

1. Strong Enforcement of Civil Rights Laws
2. Total Non-Discrimination Policy
3. Protection Against Racial and Religious Persecution

E. Promotion of Sustained Economic Growth

1. Antitrust Law Reform
2. Regulatory Reform

F. Legal System Improvement

1. Tort Liability Reform
2. Legal Fee Equity
3. Reducing Burden on Federal Courts

G. Government Financial Integrity

1. Fraud Against Government
2. Debt Collection

H. Preservation of Constitutional Values

1. Federalism
2. Separation of Powers
3. Religious Liberty
4. Constitutional Limitations on Government

Management Objectives

1. Improve DOJ Headquarters cooperating with and support of U.S. Attorneys Offices.
2. Reorganize and improve personnel and training functions.
3. Achieve effective, working information systems.
4. Review and establish controls for publications.
5. Establish and implement a strategic planning process.
6. Improve budgeting and resource allocation.
7. Implement management improvement and productivity program.
8. Establish DOJ master calendar system.
9. Improve facilities and logistics.
10. Increase building security.

QUESTIONS FROM MR. ALEXANDER

ATTORNEY GENERAL

Juvenile Justice

Question:

In your budget justifications, you state that the reason the Administration is not asking for funding for the State and Local Assistance juvenile justice grants program is because:

"The states should be willing to pick up their costs from the increased revenues they will be receiving in 1987 and beyond as a result of the Tax Reform Act of 1986."

Is it your view that the interest in juvenile justice programs is all State and local -- that there is no national interest -- in juvenile justice and, therefore, the Federal Government should not be investing in such programs?

Answer:

The Federal Government has had an interest in, and has been a strong supporter of juvenile justice programs. Over the past 13 years, the Federal Government has made approximately one billion dollars available for juvenile justice programs. The Federal Government will continue to work with the State and local governments to evaluate their needs and aid them in implementing programs as they see fit. However, limited Federal resources require greater emphasis on strictly Federal activities.

Question:

Is it your view that although the Presidential Administration, of which you are a part, campaigned for Federal tax reform for nearly six years, States should not be considering reforming their own tax structures to reduce tax burden?

Answer:

The Department has no view concerning the tax structures of States.

Question:

In preparing this juvenile justice budget proposal, were you aware that in a substantial number of States -- particularly in Middle America--the economy is so bad that States, like Arkansas, are repeatedly cutting back on programs during their fiscal years due to revenue shortfalls?

Answer:

We are aware that some States are having fiscal difficulties. We are also aware that Federal resources are not limitless and must be prioritized so that they are available to fund Federal law enforcement and justice activities adequately. To do otherwise could result in gaps in Federal law enforcement areas which would place a much greater burden on the States.

Question:

In your justifications you state that the reason the Administration is requesting no funding for the Juvenile Justice Program is that "much has been accomplished" -- particularly in the deinstitutionalization of status offenders and the separation of juvenile and adult offenders. When these justifications were written, was the Administration aware that a substantial number of States are having great difficulty in reaching the 75 percent jail removal requirement by the December 1985, deadline?

Answer:

The deadline for States to be in substantial compliance (75 percent) with the Congressional jail removal mandate was December 1985. States must be in full compliance (100 percent) with regard to jail removal by December 1988. The 1986 compliance reports, which are currently under review, were due in December 1986. Therefore, we were not aware that a substantial number of States were having great difficulty in reaching the substantial compliance requirement with jail removal at the time the budget justifications were written. This is the first time that the States have been required to submit compliance figures regarding jail removal.

QUESTIONS FROM MR. EARLY

ATTORNEY GENERAL

Sentencing Commission

Question:

As you know, the Sentencing Commission will issue official guidelines in April of this year at which time Congress will have six months to act or "disapprove" of these guidelines.

Mr. Attorney General, what is your view of the Commission's January revised draft? How do you think promulgation of these guidelines will affect prison population and caseload and responsibilities of the courts?

I also understand that the Justice Department is advocating and suggesting that the Commission include standards for reimposing the federal death penalty in its guidelines? How do you view this proposal and how do you believe the Congress will view it?

Answer:

We generally believe the January draft of the Sentencing Commission responded appropriately to the mandate given to it by Congress. Since that time, there have been numerous revisions which are under review by the Department of Justice. We believe the latest draft, to the extent we are familiar with its contents, to be an improvement over current practices.

Although any estimates will necessarily be speculative, we will be happy to provide our best estimates of the possible effect of the guidelines on the prison population and the caseload of the courts once our review is completed.

With regard to the Commission's inclusion of standards in its guidelines for imposing the death penalty in cases for which the Congress has prescribed it, we received a request as to whether such an inclusion was lawful. The Department informed the Commission that it believed such an inclusion to be lawful, but the Commission, by majority vote, concluded that it would not include such standards in the guidelines being submitted to Congress.

Juvenile Justice

Question:

Again this year the Department is proposing to abolish Juvenile Justice programs, which Congress in its wisdom has restored year after year.

Assuming this will be the case this year, what future plans does the Department have for the Office of Juvenile Justice — for this year, next year, and in the long term? I understand that there has been an Acting Administrator at Juvenile Justice for the past nine months. When can we expect that a permanent Administrator will be appointed?

Answer:

In 1987, $70,282,000 was appropriated for Juvenile Justice Programs and to administer the Office of Juvenile Justice and Delinquency Prevention. Those funds are being obligated in the normal fashion. To date, approximately twenty-one 1987 formula grants have been awarded to States. The 1987 program plan for discretionary funds was announced in the Federal Register March 11, 1987.

The Department's 1988 budget request proposes no funding for this program. Because formula grants are awarded for a project period of up to three years, it may take some 42 months to close down after the last year of funding. Consistent with the 1988 budget, on January 27, 1987, the Department transmitted to the House of Representatives a legislative proposal to repeal authority to make grants for Juvenile Justice programs.

The nomination of Verne L. Speirs to be Administrator of the Office of Juvenile Justice and Delinquency Prevention was forwarded to the Senate on March 10, 1987. Mr. Speirs has been the Acting Administrator.

Illegal Aliens Fleeing to Canada

Question:

Has the Canadian Government or Canadian Immigration Office complained about the high influx of illegal aliens fleeing from the U.S. to Canada in an effort to escape the new immigration laws?

Answer:

According to INS, we are not aware of complaints from either the Canadian Government or the Canadian Immigration Office. The Canadians did, however, recently revise their immigration policy with respect to refugee claimants. As of February 20, 1987, Canada's automatic admission and issuance of Minister's Permits to refugee claimants ended. Claimants are now required to wait on the U.S. side for a hearing date. This new policy has significantly reduced the flow of aliens from the U.S. to Canada.

Community Relations Service

Question:

Was or is the Community Relations Service (CRS) involved in the Howard Beach incident in New York?

Answer:

The Community Relations Service has been involved in providing technical and other assistance to the South Queens community as follows:

1. Demonstration Monitoring and General Conciliation. CRS has monitored all marches and demonstrations in the area since the Howard Beach incident. In addition, the agency has consulted regularly with officials at the highest levels of City and State Government and with key civic leaders. CRS has stressed the importance of rumor control to help avoid further difficulties.

2. Assistance to Biracial Community Coalition. The major ad hoc community group to form in the wake of the Howard Beach incident is the Concerned Citizens of South Queens (CCSQ). CRS has supplied examples of community activities CCSQ might want to undertake, helped identify needed resources, and advised on a community newsletter initiated by CCSQ. CRS has also helped arrange desired meetings with top public officials such as Mayor Ed Koch.

3. Assistance to John Adams High School Officials. This school has been the focus of much attention because it is attended by most white Howard Beach youngsters, as well as blacks and Hispanics from adjoining areas. CRS has focused on it to break down intolerance among students and to involve their parents in the overall effort to improve race relations.

   As part of its assistance, CRS conducted a one-day workshop for 200 teachers and staff on January 29 on recognizing potential racial/ethnic conflict. The agency is consulting with John Adams' principal on implementing the resulting recommendations for training and other follow-up activities.

4. Assistance to Police Department's Police/Community Relations Effort. CRS is providing technical assistance to the Police Department's 106th precinct in building "positive community dialogue" which Police Department headquarters has required.

5. Cooperation With City and State Human Rights Agencies. In response to the Howard Beach incident, Governor Mario Cuomo established the Task Force on Bias-Related Violence and instructed it to "begin ... developing specific solutions to the kind of racial violence that erupted in Queens."

   At the local level, the New York City Government has also created a special unit, attached to the City's human rights agency, to respond to bias incidents. CRS is providing technical assistance to both the State and City human rights commissioners on program development for these new units.

NIJ Studies on Hate Violence

Question:

Increasingly, the issue of anti-gay violence has become a pressing policy concern as the incidence of such violence has become more common — particularly as a result of irrational fears and hatred associated with the AIDS epidemic. With this record of activity and inactivity in the criminal justice arena, what has the National Institute of Justice (NIJ) done to study or remedy this pressing problem, and the problem of hate violence in general? Does your research agenda include plans to look at the nature or extent of anti-gay violence?

Answer:

Although we have not addressed the issue of anti-gay violence per se, the National Institute of Justice advises that three projects are related to both hate violence and the problem of AIDS. The study of the way the police handle hate violence, conducted by the National Organization of Black Law Enforcement Executives (NOBLE), included a nationwide survey of the extent of hate violence reported to the police, site visits to six jurisdictions with special programs to handle these kinds of incidents, and a sample of State level legislative reforms that address this problem. The project resulted in a handbook of standard protocols, published by NOBLE in early 1986, that can be adopted by law enforcement agencies to address the problem of hate violence.

NIJ has also sponsored several projects relative to AIDS. A major report and several articles addressing the problem of AIDS in the nation's prisons and jails provide current medical information regarding the disease, its victims, and the range of options available to correctional officials in dealing with AIDS-related issues. A second publication currently under development focuses on how law enforcement agencies handle cases involving AIDS.

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QUESTIONS FROM MR. CARR

ATTORNEY GENERAL

Consent Decree

Question:

When the government finds a State in noncompliance or questionable compliance and/or there is a complaint filed against a State or a consent decree (under the Institutionalized Persons Act) what are the Federal Government's obligations for assistance to the State? What is the specific responsibility of the Justice Department toward ensuring resources for States with DOJ complaints and/or consent decrees?

Answer:

Civil Rights Division personnel make an effort to inform States if there is a known available source of funding (e.g., from the Department of Health and Human Services for mental health facilities) to assist in the correction of substandard conditions. The Division advises the States of the proper office to contact for such support.

Question:

What is the responsibility of the Department of Justice to ensure a State's consent decree and/or compliance does not adversely affect the services provided to the population not covered by the consent decree?

Answer:

The Department has an overriding responsibility to ensure to all individuals the full protections accorded under the Civil Rights of Institutionalized Persons Act (CRIPA) and other federal laws. We are always careful in fashioning consent decrees with States, and in monitoring compliance, that those protections remain in place for those not covered by the decree as well as for covered individuals.

THURSDAY, MARCH 12, 1987.

GENERAL ADMINISTRATION/WORKING CAPITAL FUND, FEES AND EXPENSES OF WITNESSES

WITNESSES

HARRY H. FLICKINGER, ACTING ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

ROBERT N. FORD, COMPTROLLER

MICHAEL J. ROPER, DEPUTY COMPTROLLER FOR BUDGET

JOHN J. LANE, DEPUTY ASSISTANT ATTORNEY GENERAL, OFFICE OF INFORMATION AND TECHNOLOGY

ADRIAN CURTIS, CHIEF OF OPERATIONS FOR BUDGET

GENERAL ADMINISTRATION JUSTIFICATION

Mr. SMITH. Continuing with our review of the Department of Justice, we now hear testimony on the General Administration appropriation. We have Mr. Harry H. Flickinger, the Acting Assistant Attorney General for Administration.

[The justification follows:]

Department of Justice

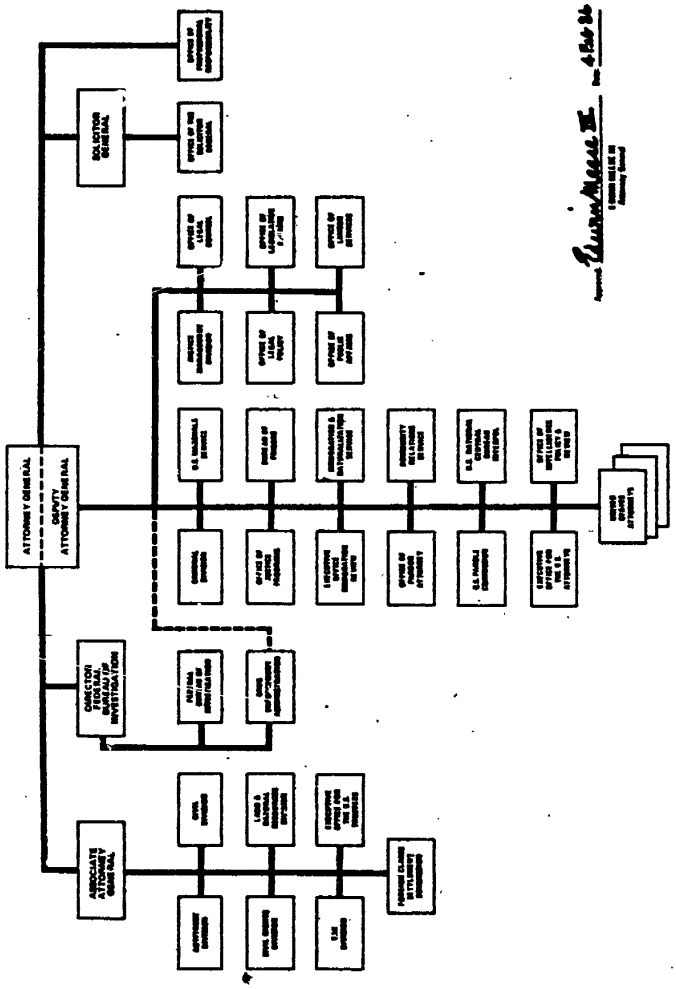
General Administration

Estimates for Fiscal Year 1988

Table of Contents

Item	Page Number
Appropriation Level Material	
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes in Appropriation Language	4
Crosswalk of 1987 Changes	5
Summary of Requirements	6
Summary of Resources by Program	7
Financial Analysis - Program Changes	8
Status of Congressionally Requested Studies, Reports and Evaluations	9
Priority Rankings	10
Detail of Permanent Positions by Category	11
Summary of Adjustments to Base	12
Justification of Adjustments to Base	13
Summary of Requirements by Grade and Object Class	18
Consulting and Related Services	20
Program Direction and Policy Coordination	
Department Leadership	
Summary of Requirements	A-1
Justification of Program and Performance	A-2
Executive Support	
Summary of Requirements	A-6
Justification of Program and Performance	A-7
Intelligence Policy and Planning	
Summary of Requirements	A-13
Justification of Program and Performance	A-14
Justice Management Division	
Summary of Requirements	A-18
Justification of Program and Performance	A-19
Administrative Review and Appeals	
Summary of Requirements	B-1
Justification of Program and Performance	B-2

U.S. DEPARTMENT OF JUSTICE



General Administration

Salaries and Expenses

Summary Statement

Fiscal Year 1988

The General Administration appropriation is requesting, for 1988, a total of $103,513,000, 1,314 permanent positions, and 1,358 workyears. This request represents an increase of $23,948,000, 53 positions, and 198 workyears from the 1987 appropriation anticipated.

The primary mission of the General Administration is to support the Attorney General and the senior policy level officials of the Department in the development of policy objectives and the management of the Department. In addition, selective administrative support is provided to the legal divisions and the smaller offices and boards within the Department. This appropriation also supports two organizations responsible for the administrative review and appeal of decisions relating to individuals: Executive Office for Immigration Review and the Office of the Pardon Attorney.

The mission of the General Administration appropriation is accomplished through the programs contained in two budget activities: Program Direction and Policy Coordination and Administrative Review and Appeals. Included in the Program Direction and Policy Coordination activity are the following programs: Department Leadership, Executive Support, Intelligence Policy and Planning and the Justice Management Division. The major initiatives and resource requests for these activities and programs are summarized below.

Program Direction and Policy Coordination

This budget activity includes resources for the primary missions of the Offices supported by the following programs: Department Leadership, Executive Support, Intelligence Policy and Planning, and the Justice Management Division. These programs consist of the following:

The Department Leadership program consists of the Offices of the Attorney General, the Deputy Attorney General and the Associate Attorney General. These Offices are responsible for developing appropriate policies regarding the administration of justice in the United States; effectively representing the United States in justice-related matters; and providing advice and opinions on legal matters to the President, members of the Congress and heads of Executive departments and agencies. A program increase of 4 positions and $241,000 has been requested for programs within this decision unit in order to enable adequate policy and program guidance, oversight and control from this program to the organizations which implement the Department's programs. Additionally, an increase of $500,000 is requested for the Department Leadership offices' participation in a uniform office automation system project within the Department.

The Executive Support program consists of the Offices of Legal Policy, Public Affairs, Legislative Affairs and Liaison Services. The primary missions of this program are to study the issues central to the Department's policy

agenda and to provide the thorough legal and policy analysis necessary to undergrid new Department initiatives for legal reform in a wide variety of areas; to ensure that the Department operates most effectively with the Congress and the Office of Management and Budget (OMB) to advance its legislative goals; to inform the Department personnel, the media and the public of Department activities expeditiously and accurately; to counsel the Attorney General and other Department officials in their dealings with the media and Congress; and to coordinate and facilitate the flow of information applicable to Federal, state, county and local governments, related interest groups, special interest groups, and other private entities. Program increases of 21 positions and $1,900,000 have been requested for programs within this decision unit of which: 14 positions and $625,000, and 7 positions and $575,000 are requested to address current workload demands in the Office of Public Affairs and the Office of Legislative Affairs, respectively. In addition, resources of $700,000 are requested for the Executive Support offices participation in a uniform office automation system project within the Department.

The Intelligence Policy and Planning program consists of the Office of Intelligence Policy and Review (OIPR) and the Office of Professional Responsibility. This program is responsible for the coordination, development and implementation of Departmental policy on intelligence and national security matters. This program also is responsible for strengthening the integrity of and maintaining public confidence in the Department of Justice, and in fostering and further developing among all Department employees a commitment to professional responsibility. A program increase of 2 positions and $106,000 is included to meet increasing workload in OIPR. Additionally, resources of $200,000 are included to support the uniform office automation system in these offices.

The Justice Management Division (JMD) is responsible for ensuring that the management initiatives of the President, the Attorney General, and the Congress are implemented soundly and that administrative support services are delivered efficiently and effectively. The JMD consists of the Immediate Office of the Assistant Attorney General for Administration, the Offices of the Comptroller, Personnel and Administration, and Information Technology. Also included in JMD is the Departmental Audit Staff. Program increases of 25 positions and $3,942,000 have been requested for JMD. Of this increase, 7 positions and $500,000 would provide direct funding for the Task Force Administrative Unit which supports the Organized Crime Drug Enforcement Program. Resources of 12 positions and $700,000 are requested for support services necessary for Departmental Attorney Personnel Management. In addition, in order to achieve the Administration's management and productivity improvement initiatives and the necessity for increased departmental security, an increase of 6 positions and $2,742,000 is requested. Partially offsetting the program increase is a management and productivity decrease of 4 positions and $241,000.

Administrative Review and Appeals

This program includes the Office of the Pardon Attorney and the Executive Office for Immigration Review. The Office of the Pardon Attorney is the focal point for the receipt, investigation and consideration of petitions for all forms of Executive clemency and serves as the principal liaison with the general public in clemency matters. The major staffs of the Executive Office for Immigration Review are: the Office of the Chief Immigration Judge where immigration judges hold hearings to determine the status of an alien; and the Board of Immigration Appeals (BIA) which hears appeals from certain decisions of the Immigration and Naturalization Service and immigration judges. An increase of 13 positions and $999,000 is included to provide EOIR with resources to continue implementing the Automated Nationwide System for Immigration Review, and to address the BIA workload and case backlog.

General Administration

Salaries and Expenses

Justification of Proposed Changes in Appropriation Language

The 1988 budget estimates include changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For expenses necessary for the administration of the Department of Justice, [$79,565,000] $103,513,000

(8 U.S.C. 1103(A); 28 U.S.C. 501, 503, 504, 507-509, 1929; Department of Justice Appropriation Act, 1987, as included in Public Laws 99-500 and 99-591, Section 101(b); additional authorizing legislation to be proposed.

Explanation of changes

No substantive changes proposed.

General Administration
Salaries and expenses
Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			Reprogrammings			1987 Supplementals Requested			1987 Appropriation Anticipated		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
1. Program Direction and Policy Coordination															
a.Department Leadership	56	56	$3,379	...	...	-$239	...	...	...	...	...	$317	56	56	$3,457
b.Executive Support	71	78	5,343	...	...	-286	...	...	...	...	...	346	71	78	5,631
c.Intelligence Policy and Planning	22	22	1,572	...	...	-79	...	...	...	...	...	83	22	22	1,585
d.Justice Management Division	574	598	43,814	-10	-10	-3,384	...	...	...	50	29	3,244	614	617	43,674
Subtotal	723	754	56,110	-10	-10	-3,043	...	...	...	50	29	3,990	763	775	56,147
2. Administrative Review and Appeals															
a.Administrative Review & Appeals	298	313	17,598	...	...	-763	...	...	...	200	42	8,585	498	385	25,418
Total	1,021	1,099	73,708	-10	-10	-4,708	...	...	...	250	71	12,565	1,261	1,160	79,565

Congressional Appropriation Actions

The Congress did not restore any of the reduction for the Balanced Budget and Emergency Deficit Control Act of 1985. In addition, Congress approved only $1,000,000 of the $3,994,000 request for the Financial and Administrative Management Information System (FAMIS) and did not approve an increase in resources for a Departmental Case Management System ($500,000).

Supplementals Requested

1. The pay request includes $575,000 to meet increased pay requirements pursuant to P.L. 99-500.
2. The supplemental request for retirement contributions includes $778,000 to meet federal employment retirement contributions pursuant to P.L. 99-335.
3. The supplemental request provides for 200 positions and $5,823,000 for workload associated with the Immigration Reform and Control Act of 1986, 16 positions and $357,000 for support of the U.S. Trustees Nationwide expansion, 12 positions and $1,234,000 for Private Counsel to implement debt collection policy, 12 positions and $550,000 for security initiatives for the National Security Emergency Preparedness Program, the Crisis Management Facility and enhancement of security in the main building,$762,000 for relocation costs associated with the forced move of Justice Employees to the Bond Building, and $106,000 and $1,180,000 for increased costs for the Federal Telecommunications System (FTS) and GSA rent costs, respectively.

General Administration
Salaries and expenses
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	1,011	1,089	$67,066
1987 pay supplemental requested	...	...	575
1987 retirement supplemental requested	...	...	778
1987 program supplemental requested	238	71	11,213
1987 appropriation anticipated	1,261	1,160	79,563
Savings resulting from management initiatives	-4	-4	-211
Transfer to UCF for Financial and Administrative Systems Support Group	-8	-8	-587
Uncontrollable increases	...	147	17,063
Decreases	...	...	-178
1988 base	1,249	1,295	95,633

Estimates by budget activity	1987 Appropriation Anticipated Perm. Pos.	WY	Amount	1988 Base Perm. Pos.	WY	Amount	1988 Estimate Perm. Pos.	WY	Amount	Increase/Decrease Perm. Pos.	WY	Amount
1. Program direction and policy coordination:												
a. Departmental Leadership	56	56	$5,637	56	56	$5,948	60	62	$6,689	4	4	$741
b. Executive Support	71	70	5,631	71	70	6,257	92	99	8,157	21	21	1,900
c. Intelligence Policy and Planning	22	22	1,585	22	22	1,733	24	24	2,039	2	2	306
d. Justice Management Division	614	617	43,474	602	624	47,639	627	652	51,581	25	26	3,942
2. Administrative Review & Appeals	498	383	23,418	498	511	24,848	511	521	25,847	13	10	999
Total	1,261	1,148	79,563	1,249	1,293	95,633	1,314	1,358	103,313	65	63	7,888
Reimbursable workyears		42			41			41			...	
Total workyears		1,202			1,336			1,399			63	
Overtime		21			21			21			...	
Total compensable workyears		1,223			1,357			1,420			63	
	Appropr.	Reimb.	Total	Appropr.	Reimb.	Total	Appropr.	Reimb.	Total	Appropr.	Reimb.	Total
DOT Employment:												
Full-time permanent	1,054	42	1,096	1,189	41	1,230	1,249	41	1,290	60	...	60
Other	106	...	106	106	...	106	106	...	109	3	...	3
Total	1,160	42	1,202	1,295	41	1,336	1,356	41	1,399	63	...	63

General Administration

Salaries and expenses

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1986 As Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Program Direction and policy Coordination:																		
Department Leadership..	56	58	$3,082	56	78	$4,862	56	58	$3,457	56	58	$3,948	60	62	$6,689	4	4	$741
Executive Support.....	71	78	5,344	71	99	5,954	71	78	5,631	71	78	6,257	92	99	8,157	21	21	1,900
Intelligence Policy & Planning.....	22	22	1,568	22	23	1,679	22	22	1,585	22	22	1,735	24	24	3,039	2	2	306
Justice Management Div.	583	609	42,997	583	633	39,316	611	617	43,474	602	626	47,610	627	653	51,881	25	26	4,271
Subtotal.....	734	767	54,041	734	814	52,011	763	775	56,147	751	784	61,577	803	837	69,466	52	53	6,889
Administrative Review & Appeals.....	298	327	15,959	298	270	15,396	498	385	23,418	498	511	34,048	511	521	33,847	13	10	999
Federal Justice Research Program.....	...	...	...	...	...	282	...	...	...	...	...	...	...	...	...	...	...	...
Total.....	1,032	1,094	70,000	1,032	1,084	67,689	1,261	1,160	79,565	1,249	1,295	95,625	1,314	1,358	103,313	65	63	7,888
Other Workyears.....																		
Holiday...		...			...			...			...			...			...	
Overtime.....		21			21			21			21			21			...	
Total compensable workyears		1,115			1,105			1,181			1,316			1,379			63	
Reimbursable Workyears....		33			51			42			41			41			...	
Total Workyears.....		1,148			1,156			1,223			1,357			1,420			63	

General Administration

Salaries and Expenses

Financial Analysis - Program Changes
(Dollar in thousands)

Item	Department Leadership Pos.	Department Leadership Amount	Executive Support Pos.	Executive Support Amount	Intelligence Policy & Review Pos.	Intelligence Policy & Review Amount	Justice Management Division Pos.	Justice Management Division Amount	Administrative Review & Appeal Pos.	Administrative Review & Appeal Amount	Total Pos.	Total Amount
Grades												
GS/GM-15	4	$215	5	$269	...	...	4	$232	...	...	13	$716
GS/GM-14	...	...	2	91	...	...	1	47	8	$409	11	547
GS/GM-13	...	...	5	194	2	$76	5	197	...	...	12	467
GS-12	...	...	2	68	...	...	5	168	1	32	8	268
GS-11	...	...	1	27	...	...	1	28	...	...	2	55
GS-10	...	...	...	...	...	...	1	26	...	...	1	26
GS-9	...	...	...	...	...	...	3	71	...	...	3	71
GS-8	...	...	3	60	...	...	2	41	...	...	5	101
GS-7	...	...	1	18	...	...	...	...	...	...	1	18
GS-6	...	...	2	32	...	...	1	17	4	64	7	113
GS-5	...	...	...	...	...	...	1	15	...	...	1	15
GS-4	...	...	...	...	...	...	1	13	...	...	1	13
Total positions and annual rate	4	215	21	759	2	76	25	855	13	505	65	2,410
Other than full-time permanent	...	...	...	...	...	...	3	30	...	...	3	30
Lapse	...	...	...	...	...	...	-2	-73	-3	-165	-5	-238
Total workyears & comp	4	215	21	759	2	76	26	812	10	340	63	2,202
Personnel benefits		26		91		10		95		38		260
Travel		...		11		6		162		...		179
GSA Rent		...		78		8		93		...		171
Comm., Util., misc. chgs		418		588		167		85		...		1,358
Printing		...		12		...		53		...		65
Other services		82		250		37		967		588		1,924
Supplies		...		12		...		47		...		59
Equipment		...		7		2		1,628		53		1,670
Total, workyears and obligations, 1988	4	741	21	1,988	2	306	26	3,943	10	999	63	7,886

General Administration

Salaries and expenses

Status of Congressionally Requested
Studies, Reports and Evaluations

The Justice Management Division had responsibility for the following Congressionally requested studies:

The Policy and Planning Staff prepared an analysis of the impact of the use of materials produced by State prison sign shops on the Federal-aid highway market. This report was sent to the Senate Appropriations Committee in June 1986.

General Administration

Salaries and Expenses

Priority Rankings

Base Program	
Program	Ranking
Department Leadership	1
Intelligence Policy and Review	2
Justice Management Division	3
Executive Support	4
Administrative Review and Appeals	5

Program Increase	
Program	Ranking
Intelligence Policy and Review	1
Justice Management Division	2
Executive Support	3
Department Leadership	4
Administrative Review and Appeals	5

General Administration

Salaries and expenses

Detail of Permanent Positions by Category

Fiscal Years 1986-1988

Category	1986 Authorized	1987 Authorized Request	1987 Program Supplemental	1987 Total	1988 Mgmt. Saving & Transfer	1988 Program Increases	1988 Total
Attorneys(905)	190	190	77	267	...	22	289
Paralegals (950)	3	3	2	5	...	...	5
Gen.Admin./Clerical (300-399)	497	476	141	617	(10)	26	633
Business & Industry (1100-1199)	24	24	...	24	...	...	24
Security Specialist (080)	21	21	13	34	...	6	40
Personnel Management (200-299)	65	65	3	68	...	...	68
Accounting/Budget (500-599)	139	139	11	150	(2)	...	148
Library (1400-1499)	35	35	...	35	...	...	35
Supply Group (2000-2099)	16	16	3	19	...	...	19
Motor Vehicle Operations (5703)	13	13	...	13	...	...	13
Miscellaneous	29	29	...	29	...	11	40
Total	1,032	1,011	250	1,261	(12)	65	1,314
Washington	765	744	85	829	(12)	65	882
U.S. Field	267	267	165	432	...	...	432
Total	1,032	1,011	250	1,261	(12)	65	1,314

General Administration

Salaries and Expenses

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1987 as enacted	1,011	1,089	$67,000
1987 Pay supplemental requested	...	...	575
1987 Retirement supplemental requested	...	...	778
1987 Program supplemental requested	250	71	11,212
1987 appropriation anticipated	1,261	1,160	79,565
Adjustments to base:			
Savings resulting from management initiatives	-4	-4	-241
Transfer to the WCF for Financial and Administrative Systems Support Group	-8	-8	-587
Uncontrollable increases:			
Annualization of 1987 pay increase	...	...	881
Annualization of 1987 retirement increase	...	...	2,132
Annualization of additional positions approved in 1987	...	147	10,864
One additional compensable day	...	...	161
Within-grade increases	...	...	368
Locality-based per diem	...	...	195
GSA rent	...	...	1,658
GSA recurring reimbursable services	...	...	14
Federal Telecommunications Services (FTS)	...	...	52
Telephone service	...	...	55
Employee Data and Payroll Services	...	...	50
Audio Visual and Media Services	...	...	21
General pricing level adjustment	...	...	612
Total, uncontrollable increases	...	147	17,063
Decreases:			
Reduction for change in hourly rate	...	...	-102
Reduction in page costs for FR and CFR	...	...	-2
Reduction in health benefits	...	...	-71
Total, decreases	...	...	-175
1988 Base	1,249	1,295	95,625

General Administration

Salaries and Expenses

Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Savings resulting from management initiatives	-4	-4	-$241
Transfer of Financial and Administrative Systems Support Group to the Working Capital Fund:	-8	-8	-587

This represents the transfer of the Financial and Administrative Systems Support Group from the General Administration to the Working Capital Fund. The transfer of this group will place all of JMD financial, administrative systems support services on a user-reimbursable basis.

Uncontrollable increases:

1. Annualization of 1987 pay increase	...	...	881

This request provides for the annualization of the January 4, 1987 pay increase. The calculation of the amount required for annualization is based on 261 compensable days in 1987 and 68 paid days (October 1, 1986 through January 5, 1987) were not included in the pay raise amount of $1,013,000. Additionally, $438,000 of the 1987 pay requirement was absorbed. Total annualization required is $881,000.

2. Annualization of Federal Employees' Retirement System Costs	...	...	2,132

This request provides for the additional costs in 1988 necessary to continue implementation of the Federal Employees' Retirement System Act of 1986, P.L. 99-335. This act established a retirement program for Federal civilian employees and postal workers hired after December 31, 1983 who are covered by social security, and for employees under the Civil Service Retirement System who choose to transfer into the new system. The calculations were determined from an OMB approved formula. Total annualization required is $2,132,000.

	Perm. Pos.	Work-years	Amount
3. Annualization of additional positions approved in 1987.....	...	147	$10,864

This provides for the annualization of 250 additional positions approved in 1987.

	Approved 1987 Increases	Annualization Required
Annual salary rate of 250 approved positions.....	$6,905,000	
Less lapse (72%).....	-4,704,000	$4,704,000
Net compensation.....	2,201,000	
Associated employee benefits.	265,000	543,000
Systems Development and non-personnel costs.....	6,698,000	5,617,000
Total costs subject to annualization.....	9,164,000	10,864,000

Systems Development and non-personnel costs include costs associated with implementing the Automated Nationwide System for Immigration Review (ANSIR), as well as travel, SLUC charges, printing, and supply and furniture purchases associated with the new positions.

4. One additional compensable day.....	...	...	161

The annual salary rate for Federal employees is based on 260 paid days. FY 1988 has one more compensable day (262) than 1987 (261). (Permanent personnel compensation $36,920,000 -: 260 = $142,000, plus $19,000 for benefits.)

5. Within-grade increase.....	...	...	368

This request provides for an expected increase in the cost of within-grade increases. This increase is generally consistent with increases experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $324,000 and benefits $44,000 = $368,000.)

	Perm. Pos.	Work-years	Amount
6. Locality based per diem	...	...	$195

Public Law 99-234 authorized a new locality-based per diem and lifted the $75.00 ceiling in certain geographic areas. An uncontrollable increase of $195,000 is required to meet the expected 10.6 percent increase to total travel funds.

7. GSA Rent	...	...	1,658

In 1987 the Rent System replaces the Standard Level User Charge (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $1,658,000 is required to meet our commitment to GSA.

8. GSA recurring reimbursable services	...	...	14

Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.2 percent increase of $14,000 over 1987 charges of $333,000.

9. Federal Telecommunication System	...	...	52

Federal Telecommunication System (FTS). The General Services Administration has advised of a 16 percent increase in Federal Telecommunications System (FTS) Intercity costs for 1986. This increase is mainly due to unanticipated tariff increases, savings GSA had built into their original budget estimate which will not materialize and FY 1985 costs which were not billed by GSA last year. An increase of $52,000 over the 1987 base of $1,094,000 is requested.

10. Telephone service	...	...	55

On February 25, 1986, the District of Columbia Public Service Commission (PSC) issued its final order in the Chesapeake and Potomac telephone company (C&P) rate case. The PSC, in its order, allowed C&P to increase its rates by $31 million and set the rates for C&P's intrastate services.

	Perm. Pos.	Work-years	Amount
The FSC order affects the rates the Federal Executive Agencies will pay for basic exchange service, CENTREX services, service connections, direct inward dialing services and channel services. These changes will increase the FY 1987 cost of operating the Justice Telecommunications Service (JTS) by an estimated $552,000. An increase of $55,000 over the 1987 base of $300,000 is requested to pay these charges.			
11. Employee Data and Payroll Services	...	...	$50
Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems maintenance and payroll accounting are based on the number of records maintained. The rate of $145.64 per record in FY 1986 will be raised to $155.76 per record for FY 1988. The change is based on anticipated uncontrollable cost increases of 6.9 percent for the operation of the Justice Employee Data Service.			
An additional increase of $50,000 has been included to improve the Human Resources Management Information System (HRMIS). This improvement will enhance the productivity of all Department components as well as the support units of accounting, budgeting and procurement. This retooling of support systems will allow the Department to operate an efficient, effective and businesslike administrative operation.			
12. Audio Visual and Media Services	...	...	21
This increase reflects proposed rate increases for various types of audiovisual services that range from seven to 240 percent higher than present rates. An estimated 16.5 percent overall increase will be assigned to each affected organization for 1988. This equates to an increase of $21,000 over the 1987 base of $127,000.			
13. General pricing level adjustment	...	...	612
This request applies OMB pricing guidance as of December 1986 to selected expense categories. The increased costs identified result from applying a factor of 3.5 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.			
Total, uncontrollable increase	...	147	17,063

	Perm. Pos.	Work-years	Amount
Decreases (Automatic non-policy)			
1. Reduction for change in hourly rate	...	...	-$102
Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985 required that the computation of annual salary rates to be based on 2,087 hours rather than 2,080. The same amount that was reduced in 1984 and restored in 1986 is requested for reduction in 1988.			
2. Reduction in per page cost of Federal Register and Code of Federal Regulations	...	...	-2
The Legislative Branch Appropriation Act of 1978 (P.L. 95-941) amended the Federal Register Act to Require Federal agencies to reimburse the Government Printing Office for costs of printing, binding and distributing the Federal Register (FR) and the Code of Federal Regulations (CFR). The current cost estimates from GPO indicate a per page cost of $390 for the FR and $55 for the CFR for 1988. This represents an $18 per page decrease for the FR and a $5 per page decrease for the CFR.			
3. Reduction in Health Benefits	...	...	-71
The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1986, the Department's actual contribution to health insurance decreased approximately 9 percent due primarily to reduced carrier rates. The requested decrease includes $71,000 for decreased rates over the 1987 budgeted base of $757,000.			
Total decreases	...	...	-175
Total, adjustments to base	-12	135	16,060

General Administration

Salaries and expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Grades and salary ranges	1987 Estimate Positions & Workyears	1987 Estimate Amount	1988 Request Positions & Workyears	1988 Request Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level I, $86,800	1		1		...	
Executive Level II, $75,020	1		1		...	
Executive Level III, $73,000	1		1		...	
Executive Level IV, $72,100	2		2		...	
ES-6, $78,900	7		7		...	
ES-5, $70,500	9		9		...	
ES-4, $66,700	12		12		...	
ES-3, $66,222	6		6		...	
ES-2, $63,764	6		6		...	
ES-1, $61,296	9		9		...	
GS/GM-15, $53,300- 69,276	225		233		8	
GS/GM-14, $45,765 - 59,488	135		145		10	
GS/GM-13, $38,727 -50,346	124		135		11	
GS-12, $32,567 - 42,341	69		76		7	
GS-11, $27,172 - 35,326	39		40		1	
GS-10, $26,732 - 32,148	8		9		1	
GS-9, $22,456 - 29,190	87		87		...	
GS-8, $20,333 - 26,433	53		58		5	
GS-7, $18,356 - 23,866	128		129		1	
GS-6, $16,521 - 21,480	154		161		7	
GS-5, $14,822 - 19,266	75		76		1	
GS-4, $13,248 - 17,226	63		64		1	
GS-3, $11,862 - 15,359	22		22		...	
GS-2, $10,816 - 13,811	3		3		...	
Ungraded positions	23		23		...	
Total, appropriated positions	1,261	$43,620	1,314	$47,659	53	$4,611
Pay above stated annual rates		166		172	...	6
Lapses	(207)	(4,369)	(65)	(1,371)	142	2,998
Net savings due to lower pay scales for part of year		(48)		(48)	...	...
Net, full-time permanent	1,054	39,785	1,249	46,488	195	7,615
Other than permanent:						
Part-time permanent	61	1,274	61	1,286	...	12
Temporary employment	34	544	37	613	3	59
Other part-time and intermittent empl., ment	11	389	11	389	...	...
Overtime	21	845	21	845	...	(3)
Special personal services payments	...	130	...	130	...	...
Total, workyears and personnel compensation	1,181	42,967	1,379	49,691	198	7,681
Average SS salary		67,483		67,485		
Average GS/GM salary		38,147		38,436		
Average GS/GM grade		10		10		

General Administration
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1987 Estimate Workyears	1987 Estimate Amount	1988 Request Workyears	1988 Request Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1 Full-time permanent	1,054	$30,785	1,249	$46,480	195	$7,615
11.3 Other than full-time permanent	188	2,427	189	2,498	3	71
11.5 Other personnel compensation	21	845	21	845	...	(3)
11.8 Special personal services payments	...	130	...	130	...	...
Total, workyears and personnel compensation	1,181	42,387	1,379	49,091	198	7,684
Reimbursable workyears:						
Full-time permanent	(42)		(41)		(1)	
12.0 Personnel benefits		5,287		8,147		2,850
21.0 Travel and transportation of persons		2,506		3,114		608
22.0 Transportation of things		232		344		112
23.1 GSA rent		8,920		11,710		2,790
23.3 Communications, utilities, and other miscellaneous charges		3,419		5,605		2,186
24.0 Printing and reproduction		516		653		137
25.0 Other services		14,408		18,920		4,512
26.0 Supplies and materials		1,537		1,803		266
31.0 Equipment		786		3,126		2,340
Total obligations		79,020		103,513		23,685
Unobligated balance, start-of-year		(263)		...		263
Total requirements		79,565		103,513		23,948
Relation of obligations to outlays:						
Obligated balance, start-of-year		9,580		13,393		
Obligated balance, end-of-year		(13,393)		(18,879)		
Outlays		75,752		98,027		

General Administration

Salaries and Expenses

Consulting and Related Services
(Dollars in thousands)

	1986 Actual	1987 Estimate	1988 Estimate
Consulting Services	$117	$117	$117
Management and Professional Services	625	625	625
Special Studies and Analysis	...	...	...
Total	742	742	742

Consulting and related services are used in the General Administration only for services which cannot be performed in-house. Services are required for Interpreter, Reporting, Transcript, Administrative and Technical purposes. No increases are requested in 1988.

Department Leadership

General Administration

Salaries and Expenses

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	56	58	$5,140
1987 Pay Supplemental requested	...	...	45
1987 Retirement Supplemental requested	...	...	58
1987 Program Supplemental requested	...	...	214
1987 Appropriation anticipated	56	58	5,457
Uncontrollable increases:			
Annualization of Pay increase	...	...	66
Annualization of Retirement increase	...	...	159
One additional compensable day	...	...	10
Within-grade increases	...	...	23
Locality based per diem	...	...	18
GSA rent	...	...	165
GSA recurring reimbursable services	...	...	2
Federal Telecommunications System (FTS)	...	...	9
Telephone service	...	...	8
Employee Data and Payroll Services	...	...	2
Audio Visual and Media Services	...	...	9
General pricing level adjustment	...	...	31
Total uncontrollable increases	...	...	502
Decreases (automatic non-policy):			
Reduction for change in hourly rate	...	...	-8
Reduction in page costs for FR and CFR	...	...	-1
Reduction in Health Benefits	...	...	-2
Total decreases	...	...	-11
1988 base	56	58	5,948

Estimates by budget activity and decision unit	1986 Actual Perm. Pos.	WY	Amount	1987 Appropriation Anticipated Perm. Pos.	WY	Amount	1988 Base Perm. Pos.	WY	Amount	1988 Estimate Perm. Pos.	WY	Amount	Increase/Decrease Perm. Pos.	WY	Amount
1. Program Direction and Policy Coordination: Department Leadership	56	70	$4,862	56	58	$5,457	56	58	$5,948	60	62	$6,689	4	4	$741

Department Leadership

Salaries and expenses, General Administration

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Program Direction and Policy Coordination:	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increases/Decreases		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Department Leadership:												
Attorney General	20	21	$1,882	20	21	$2,063	22	23	$2,384	2	2	$321
Deputy Attorney General	24	25	2,375	24	25	2,594	26	27	2,864	2	2	270
Associate Attorney General	12	12	1,200	12	12	1,291	12	12	1,441	...	...	150
Total	56	58	5,457	56	58	5,948	60	62	6,689	4	4	741

Long Range Goal. To develop appropriate policies regarding the administration of justice in the United States; to represent the United States effectively in justice-related matters; and to provide advice and opinions on legal matters to the President, and heads of Executive departments and agencies.

Major Objectives.

. To formulate and implement major departmental policies and programs.

. To provide overall supervision and direction to the organizational units of the Department of Justice.

. To investigate, process and make recommendations to the President on all prospective candidates for judicial and Justice Department Presidential appointments.

. To coordinate criminal justice matters with federal, state and local law enforcement and criminal justice agencies.

. To maintain and supervise the Attorney General's Honor Law Graduate and Attorney Employment Programs.

. To establish and implement a standardized system to collect information on task force cases.

. To prepare and disseminate an Annual Report to the Congress and the public regarding the current status of efforts against organized crime drug enforcement.

Base Program Description. The Attorney General is primarily responsible for developing and implementing the policy objectives of the Department and for managing the Department's programs and resources. He is supported by staff members who coordinate various program activities to ensure consistency with current Department guidelines and policies. Staff members also serve as liaison between Department organizations and the Attorney General when matters of importance require his direct involvement. The Attorney General keeps the public informed of Department activities by appearing before a wide range of citizens' groups and professional associations. He also meets regularly with the President and members of the White House staff, other Federal agency officials, and members of the Congress on department policy and program matters.

In supporting the policies of the Attorney General, the Deputy Attorney General provides testimony before Congressional committees on legislation affecting the Department and acts as the Department's liaison with the White House staff and the Executive Office of the President. In addition, the Deputy Attorney General exercises the power and authority invested in the Attorney General, to take final action in matters pertaining to: employment, separation and general administration of personnel in the Senior Executive Service, and of attorneys. The Deputy Attorney General oversees the Attorney General's Employment Program for Honor Law Graduates and Judicial Law Clerks. In the Attorney General's absence, the Deputy Attorney General serves as the acting official for the Department.

The Associate Attorney General assists the Attorney General and the Deputy Attorney General in formulating and implementing Departmental policies and programs pertaining to civil matters and provides overall guidance and direction on antitrust, civil rights, foreign claims, environmental, tax and bankruptcy issues.

The President has mandated the Attorney General to report to the American people regarding the status of law enforcement efforts directed at organized crime. The annual report will be prepared by the Department of Justice staff utilizing statistical data collected on Task Force cases.

Program Changes. A total increase of 4 positions and $741,000 is requested for the Department Leadership program to provide resources to support additional attorney personnel and to implement a uniform office automation system.

During the previous Administration, the three Offices that comprise the Department Leadership program (the Offices of the Attorney General, Deputy Attorney General and Associate Attorney General) had an authorized personnel strength of 80 full-time permanent positions supported by directly appropriated funds. This Administration, in its revision of the previous Administration's FY 1982 budget, reduced the size of the Department Leadership program from 80 to 56 directly funded permanent positions. Restoration of four positions, four workyears, and $241,000 is now requested for the Department Leadership program.

With strong bi-partisan Congressional support, the Department's budget has grown from $2.35 billion in FY 1981 to a request level of $5.65 billion in FY 1988 (including the special fund appropriations created by the Congress). This 140 percent funding growth is unprecedented in the Department's history. Likewise, the Department's staffing level has increased from about 55,000 full-time equivalents in FY 1981 to a planned level of almost 77,000 in FY 1988 — a growth of 40 percent.

On the substantive program side, the Congress has enacted many new statutory responsibilities for the Department's leadership to execute on behalf of the American people -- such as -- the Organized Crime Drug Enforcement initiative, the Comprehensive Crime Control Act of 1984, the Anti-Drug Abuse Act of 1986, the Immigration Reform and Control Act of 1986, etc.

Given the growth described above, it is critical that Congress adopt, as has the Administration, the proposed staffing level for the Department Leadership program. There must be adequate policy and program guidance, oversight and control from the Department's leadership to the organizations which implement the more than 150 Department of Justice programs. For example, additional staff is requested to assist in the expanding workload encountered in the international aspects of the Department's responsibilities. These include increased international nature of crime, especially drug trafficking, the responsibilities and involvement of the Department in international matters, including terrorism and foreign intelligence and counterintelligence.

Likewise, the Deputy Attorney General has broadened oversight and control responsibilities for implementation of major legislative initiatives generated by the 98th and 99th Congresses.

The requested four positions -- for a new total of 60 positions -- would leave the Department Leadership program still 25 percent lower in full-time permanent positions than this program had during the previous Administration. Congressional support for this increase is urgently needed.

The program increase requested for the Department Leadership program includes $500,000 for the implementation of a uniform office automation system in the Offices of the Attorney General, Deputy Attorney General, and Associate Attorney General which is consistent with the Department's overall plans for office automation. The office automation project is devoted to four specific objectives: to ensure increased coordination and consolidation of systems development and implementation efforts in support of Departmental management areas; realize cost savings and indirect human resources through consolidation of duplicating and overlapping automated systems; reduce the economic and technological obsolescence of ADP and word processing equipment; and reduce data communication costs through the use of technological advancements.

The Department, in a planned and coordinated manner, is proceeding to implement compatible office automation systems in the litigating organizations and management offices and in developing a summary case reporting system which aggregates case data from the litigating components. Specific automation functions to be performed include word processing, inter- and intra-office communication, document transfer, management and office support activities, electronic mail, and case management. Access will also be provided to a variety of information system applications and facilities, including legal research, litigation support, attorney timekeeping, and personnel and financial management systems.

Failure to fund this initiative will result in the continued lack of inter-operability between office automation systems and the continued use of outdated and obsolete equipment. In addition, projected productivity improvements in the components and improved departmental management objectives will not be met. This project, in addition to

meeting Department concerns regarding cost effective litigation, will also address the same concerns raised by the Office of Management and Budget, the General Accounting Office and the Congress.

Resources are requested in all other programs of the Program Direction and Policy Coordination activity in order to implement the uniform office automation system in their respective offices.

Executive Support

General Administration

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	71	78	$5,295
1987 Pay Supplemental requested	...	...	74
1987 Retirement Supplemental requested	...	...	98
1987 Program Supplemental requested	...	...	164
1987 Appropriation Anticipated	71	78	5,631
Uncontrollable increases:			
Annualization of pay increase	...	...	113
Annualization of retirement increase	...	...	271
One additional compensable day	...	...	11
Within-grade increases	...	...	27
Locality based per diem	...	...	10
GSA rent	...	...	159
Federal Telecommunications System (FTS)	...	...	7
Telephone service	...	...	6
Employee Data and payroll Services	...	...	6
Audio Visual and Media Services	...	...	5
General pricing level adjustment	...	...	24
Total uncontrollable increases	...	...	639
Decreases (automatic non-policy):			
Reduction for change in hourly rate	...	...	-7
Reduction in health benefits	...	...	-6
Total decreases	...	...	-13
1988 base	71	78	6,257

Estimates by budget activity and decision unit	1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Program Direction and Policy Coordination: Executive Support	71	99	$5,954	71	78	$5,631	71	78	$6,257	92	99	$8,157	21	21	$1,900

Executive Support

Salaries and expenses, General Administration

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Program Direction and Policy Coordination	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Support:												
Office of Legal Policy	31	34	$2,476	31	34	$2,802	31	34	$3,152	...	...	$350
Office of Public Affairs	13	14	1,347	13	14	1,479	27	28	2,304	14	14	825
Office of Legislative Affairs	20	23	1,247	20	23	1,383	27	30	2,058	7	7	675
Office of Liaison Services	7	7	561	7	7	593	7	7	643	...	...	50
Total	71	78	5,631	71	78	6,257	92	99	8,157	21	21	1,900

Long Range Goal: To initiate, develop and coordinate major policy initiatives of high priority to the Department and to the Administration in the areas of civil and criminal justice; to ensure that the Department operates most effectively with the Congress and the Office of Management and Budget to advance its legislative goals; to improve coordination with State and local governments on regulatory and legislative issues of importance to the Department and to inform Department personnel, the media and the public of Department activities expeditiously, and accurately counsel the Attorney General and other Department officials in their dealings with the media.

Major Objectives.

- To develop a more coherent process for determining legislative policy.
- To coordinate joint Department efforts to secure enactment of legislation and other policy proposals of special interest to the Department and the Administration on selected issues.
- To utilize effectively the appropriate Departmental personnel in developing and advocating legislative policy for Congress.
- To coordinate policy development and encourage consistent implementation of the Freedom of Information Act responsibility within the Executive Branch, and to oversee and supervise the disposition of appeals to denials of information requested from the Department under the Freedom of Information and Privacy Acts.
- To advise and assist the Attorney General and Deputy Attorney General regarding the selection and appointment of Federal judges.
- To process and certify requests for special U.S. Marshal deputations.
- To process and authorize reimbursable agreements for state and local law enforcement overtime and travel arrangements.

- To represent the Department on the Administrative Conference of the United States, and where appropriate, to represent the Department on regulatory reform matters.
- To inform the Attorney General, Department officials, and rank and file personnel of the Department regarding statements about the Department in daily and periodical press and broadcasting.
- To assist the Attorney General and other department officials in responding to reporters and editors effectively through interviews, news conferences and other forums.
- To promote staff support for the Attorney General on matters under consideration by the Cabinet and National Security Council.
- To advise the Attorney General on requests (from U.S. Attorneys) to issue subpoenas to news reporters and news organizations and to counsel U.S. Attorneys on how and when to use subpoena power.
- To coordinate appropriate public policy announcements with the White House and other Federal Departments and Agencies.
- To coordinate and facilitate the flow of information relating to DOJ policies applicable to Departmental intergovernmental relations.
- To maintain a steady flow of information between State and local governments and the Department.
- To provide public affairs services, as appropriate, for domestic and international travel, public appearances, and Departmental ceremonies for the Attorney General and other senior officials.
- To coordinate with Federal, State, and local officials on law enforcement and legal issues relating to program, regulatory, and legislative reform.

Base Program Description. Executive Support consists of the Offices of Legal Policy, Public Affairs, Legislative Affairs, and Liaison Services.

The Office of Legal Policy (OLP) serves as the central point for the Department-wide coordination and review of policy initiatives of special concern to the Attorney General and the Administration. OLP is responsible for supporting the Attorney General in his role as permanent chairman of the Federal Legal Council, for advising the Attorney General on the appointment of Federal Judges, and for the administration of the Federal Justice Research Program. OLP provides staff support for matters coming before the Cabinet and the National Security Council; represents the Department on inter-departmental committees and working groups; and gives policy advice on a wide variety of issues, including, for example, regulatory reform, and criminal justice programs.

The Office of Public Affairs (PAO) is the principal point of contact for the Department of Justice with the public and the news media. Its mission is twofold: (1) to inform the public about Department of Justice activities and developments, and (2) to provide similar information internally to Department personnel. The staff coordinates the public affairs effort of all Department organizations and maintains close liaison with their top executives as well as media representatives. The Office of Public Affairs disseminates information about the Department of Justice through the news media and by personal contact with the public. It serves reporters by responding to queries, issuing press releases and statements, arranging interviews, and conducting conferences and mailings. The Office provides assistance to members of the general public by answering telephone and mail requests, receiving visiting groups, and by scheduling speakers upon request. The Office also prepares concise reports of sensitive issues for out-of-town trips by the Attorney General and his top associates. Briefing sessions on topics likely to be covered are prepared for major meetings of the Attorney General with the news media. The Office prepares drafts of the Attorney General's speeches, as well as those of other top Department officials on request. The office also reviews

draft testimony. A compilation of newspaper and magazine clippings for principal Department executives is prepared and distributed twice daily. The Office reviews policy content of all publications for release outside the Department, writes all news releases for headquarters, and edits those of the components averaging more than 600 per year. In addition, PAO edits the Department's Organization and Functions brochure.

The Office of Legislative Affairs (OLA), is responsibile for developing and articulating the Department's official policies with respect to legislation initiated inside the Department, by other parts of the Executive Branch, or by members of Congress. In addition, the Office explains and advocates these policies with maximum effectiveness within the Executive Branch and Congress. The Office must prepare legislative reports on bills each year for submission to the Office of Management and Budget or to Congressional committees. Each submission requires that the relevant offices, boards, divisions or bureaus be consulted, their views collated, and a synthesize report on Departmental policy with respect to that bill be prepared. It may also require meetings with the Office of Management and Budget representatives to work out interagency differences which will present a unified Administration position to Congress. Finally, the Office must analyze enrolled bills which are sent to the Department for review prior to submission to the President for his signature or veto. These reports must generally be delivered within a 24 to 48 hour time frame.

The Office of Liaison Services is responsible for maintaining liaison on intergovernmental issues with the White House Office of Intergovernmental Affairs, the Office of Management and Budget, and with state and local government officials and public interest groups. In addition, this office coordinates and facilitates the flow of information relating to DOJ policies applicable to Department intergovernmental relations. This office seeks to promote the efficient interchange within the Department of information pertaining to the Nation's State, county, and local officials regarding departmental policies and priorities. This will assist in coordinating the Department's efforts with State and local governments by maintaining a steady flow of information between them and the Federal Government.

Accomplishments and Workload. Accomplishments of the Office of Legal Policy during 1986 include:

1. OLP produced concrete strategies for legal reform in a wide variety of areas. With respect to constitutional law, OLP developed and recommended litigating principles to be followed by federal government litigators when various constitutional issues arise at trial.

2. OLP analyzed religious liberty in light of the text and history of the Free Exercise Clause of the First Amendment, and proposed an analytical framework for the resolution of contemporary religious liberty issues.

3. OLP prepared a sourcebook to be used to educate the public regarding interpretation of the Constitution according to its original meaning, and produced an analysis of the protection of economic liberties under the original meaning of various constitutional provisions.

4. OLP worked with Department and White House officials to identify and select qualified judicial candidates who share the President's views on constitutional interpretation. OLP was instrumental in filling all but seven of the 85 new judgeships created by the Bankruptcy Amendments and Federal Judgeship Act of 1984, and 50 vacancies in

72-165 O—87——7

existing judgeships (including two Supreme Court vacancies). OLP also aided many nominees in the confirmation process. OLP published a paper entitled "Myths and Realities--Reagan Administration Judicial Selection" to help the public better understand this Administration's judicial selection process.

5. OLP completed several projects relating to criminal law reform. Its "Truth in Criminal Justice Project" identified features of contemporary criminal procedure that unduly hinder the search for truth. This project provided in-depth analysis of the law of pre-trial interrogation, the exclusionary rule, the right of counsel, and the admission of criminal histories at trial. Other criminal projects include the preparation of testimony on white collar crime law enforcement; an analysis of an academic study purporting to identify miscarriages of justice in capital cases; and a study of state laws and procedures affecting the control of organized crime and drug trafficking. Some of these projects were done through the Federal Justice Research Program, administered by OLP.

6. OLP provided staff support to senior Department officials regarding reform of the civil damages provisions of the Racketeer Influenced and Corrupt Organizations Act.

7. OLP worked closely with other Department components with respect to legal issues arising from immigration practices, efforts that contributed to the passage of the immigration reform bill by the 99th Congress.

8. After years of effort by OLP and senior Department officials, Congress passed major Freedom of Information Act reform legislation that contains all of the modifications to the FOIA's law enforcement exemption that had been sought by the Department.

9. Through its Office of Information and Privacy, OLP adjudicated all administrative appeals filed under the FOIA and Privacy Act.

10. In its Prison Liability Project, OLP examined the case law relating to the liability of prison officials, and offered recommendations for legal reform to address existing problems in this area.

Accomplishments of the Office of Legislative Affairs are reflected in the following table:

Item	98th Congress	99th Congress	(Estimated) 100th Congress
Legislative requests disposed of:			
by report to Congressional committees	500	550	700
by report to OMB	800	800	1,100
by report to other sources	150	150	225
by deferral, Congressional action, referral, etc.	800	900	950
Testimony:			
Hearings monitored and transcripts processed	350	400	450
Hearing statements presented	350	400	400
Supplemental material provided	175	200	250
Inquiries processed:			
Congressional Mail	8,500	8,500	10,000
Telephone	9,000	9,000	9,600
Technical assistance provided	780	850	1,000
Department legislative program:			
Enacted into Law	9	9	9
Approved by House/Senate	6	6	12
Approved by Committee	3	3	20

Accomplishments of the Office of Public Affairs include:

- Arranged more than 250 press interviews with key Department officials at Justice headquarters.
- Arranged print or broadcast/telecast interviews with senior Department officials on business trips in over 100 cities.
- Screened more than 1,300 requests for personal appearances by the Attorney General.
- Coordinated trips and numerous public appearances by the Attorney General including his visit to several nations to confer on narcotics, refugee resettlement and international terrorism.
- Prepared monthly and annual reports of the Department's activities and accomplishments for the White House.
- Performed all staff work for the Young American Medals program including screening of nominations, travel arrangement for recipients and families, and special assistance to the President in his presentation of the awards.
- Provided start-up help and continuing support to the President's Organized Crime Commission, enabling it to focus public attention on its public hearings nationwide.
- Answered approximately 30,000 telephone and 1,000 mail requests for information.
- Provided editors of papers throughout the nation with detailed information packets on complex legal issues of bail reform, drug enforcement, civil rights and immigration.

Program Changes. During the past years, the Office of Public Affairs and the Office of Legislative Affairs have experienced deficits which have required reprogrammings of resources from other organizations of the General Administration appropriation. Congress has not interposed objections to these reprogrammings in the past. The Administration has recognized this structural deficit situation within the General Administration Appropriation. It has authorized the Department to seek the necessary resources in the 1988 budget to correct the situation. Due to the nature of the functions performed in these two program areas, there has been a direct relationship between workload increases in the Department (e.g., War on Drugs, Immigration Reform, etc.) and the demands placed on these programs. The workload of these staffs will require that current staff levels be maintained in 1988. Therefore, we request funding to support current personnel levels.

Of the increased resources requested, 14 positions, 14 workyears and $625,000 will provide support for the Office of Public Affairs so that current personnel levels can be funded. The Office of Public Affairs performs a number of functions. Most importantly, there is a steady increase in media interest in the Department. This is not entirely controllable, in a budget sense, since it is fed by the major news stories in which the Department plays a major role.

In addition, an increase of 7 positions, 7 workyears and $575,000 is requested for the Office of Legislative Affairs to provide resources to support this staff's current personnel level. The additional staff was required to address an increase in the number and difficulty of oversight hearings in such areas as civil rights, drug enforcement, white collar crime, antitrust enforcement, Freedom of Information Act implementation, and Immigration Reform and Control Act implementation. This Department seeks to provide timely replies to an increasing volume of Congressional correspondence. The current staffing level has enabled OLA to prepare more responses to this correspondence, as opposed to the more time-consuming process of forwarding the incoming letters to the various organizations within the Department for the preparation of proposed responses. Further, the Office of Legislative Affairs will continue to maintain, if not enhance, the Department's responsiveness to Congressional inquiries.

Additional resources of $700,000 are also requested to implement the uniform office automation system in the Office of Legal Policy, Public Affairs, Legislative Affairs and Liaison Services.

Intelligence Policy and Professional Responsibility

Salaries and expenses, General Administration

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	22	22	$1,502
1987 Pay Supplemental requested	...	...	16
1987 Retirement Supplemental requested	...	...	22
1987 Program Supplemental requested	...	...	45
1987 Appropriation anticipated	22	22	1,585
Uncontrollable increases:			
Annualization of Pay increase	...	...	24
Annualization of Retirement increase	...	...	62
One additional compensable day	...	...	5
Within-grade increases	...	...	11
Locality based per diem	...	...	3
GSA rent	...	...	38
Federal Telecommunications System (FTS)	...	...	4
Telephone service	...	...	2
Employee Data and Payroll Services	...	...	2
General pricing level adjustment	...	...	2
Total uncontrollable increases	...	...	153
Decreases (automatic non-policy):			
Reduction for change in hourly rate	...	...	-3
Reduction in Health Benefits	...	...	-2
Total decreases	...	...	-5
1988 base	22	22	1,733

Estimates by budget activity and decision unit	1986 Actual Perm. Pos.	WY	Amount	1987 Appropriation Anticipated Perm. Pos.	WY	Amount	1988 Base Perm. Pos.	WY	Amount	1988 Estimate Perm. Pos.	WY	Amount	Increase/Decrease Perm. Pos.	WY	Amount
1. Program Direction and Policy Coordination: Intelligence Policy & Planning	22	23	$1,679	22	22	$1,585	22	22	$1,733	24	24	$2,039	2	2	$306

Intelligence Policy and Professional Responsibility

Salaries and expenses, General Administration

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Program Direction and Policy Coordination:	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence Policy and Planning:												
Intelligence Policy & Review...	14	14	$971	14	14	$1,064	16	16	$1,220	2	2	$156
Professional Responsibility....	8	8	614	8	8	669	8	8	819	...	...	150
Total.....	22	22	1,585	22	22	1,733	24	24	2,039	2	2	306

Long Range Goal. To assist the Attorney General in strengthening the integrity of and maintaining public confidence in the Department of Justice, and in fostering and further developing among all Department employees a commitment to the highest professional standards. Also, to assist in the development of national security related policies and maintain confidence in the lawfulness of United States intelligence activities, consistent with the need of the United States to obtain, produce, and disseminate foreign intelligence information, and the need for effective counterintelligence.

Major Objectives.

To provide legal advice concerning intelligence and national security matters to the Attorney General and to the Executive Branch of the government.

To participate in the development of legal aspects of national security and intelligence policy.

To prepare FBI and other applications for intelligence searches and surveillances and approve other counterintelligence investigative activities.

To represent intelligence agencies as legal counsel before the United States Foreign Intelligence Surveillance Court.

To participate in pre-trial litigation involving the Foreign Intelligence Surveillance Act in criminal prosecutions for espionage and international terrorism.

To monitor, as appropriate, intelligence and counterintelligence activities to ensure conformance with statutory Executive Order and other guidelines.

To participate in the drafting of procedural guidelines and new legislation for the conduct of intelligence activities.

To maintain liaison with the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence to ensure they are apprised of Departmental views on national security and intelligence policy, and are appropriately informed regarding operational intelligence and counterintelligence activities.

To improve and refine the Department-wide reporting system in which misconduct and criminal allegations are made against Department employees.

To establish a comprehensive, efficient and effective internal inspection system throughout the Department by periodically evaluating organizations and programs involved with employee integrity.

To oversee and coordinate all internal investigations of serious allegations concerning the conduct of Department employees that may be in violation of law, Department regulations or orders, or applicable standards of conduct.

To ensure the effective operation of a program which facilitates the reporting of allegations of fraud, mismanagement and waste of funds.

Base Program Description. The Office of Intelligence Policy and Review (OIPR) participates directly in the interpretation and application of national intelligence law and national security policy as the Department's representative to the National Intelligence Council. It also participates through regular consultation with senior staff of the National Security Council in considering significant operational aspects of intelligence and counterintelligence activities and through participation in ad hoc resolution of intelligence and national security questions. Federal Bureau of Investigation (FBI) and other agency requests that the Attorney General approve applications for electronic surveillance and other intelligence and counterintelligence activities are also reviewed by OIPR. Based on the findings of legal sufficiency and compliance with applicable guidelines and directives, recommendations are made to the Attorney General to approve or disapprove these requests.

Guided by the Office of Professional Responsibility (OPR), the Attorney General issues an annual statement to all employees of the Department reminding them of their responsibility to report misconduct encountered in the course of their duties. Efforts are also taken to ensure that all employees are reminded of the "whistle-blower" protections contained in the Civil Service Reform Act and Departmental regulations. Individual Professional Responsibility attorneys frequently conduct investigations involving attorneys or senior Department officials against whom allegations of misconduct have been made. In addition, the Office's attorneys serve as direct Office liaison with internal inspection units in the Department to oversee and coordinate all internal investigations of serious allegations concerning the conduct of Department employees. The Office also ensures the effective operation of a program which facilitates the reporting of allegations of fraud, mismanagement and waste of funds.

Accomplishments. The principal accomplishments of the Office of Intelligence Policy and Review (OIPR) in the policy area during the past year have included continued development of a proposed Executive Order governing clearance of government personnel and contractor employees for access to classified information. In addition, the Office continues to work with law enforcement and intelligence agencies to protect intelligence information in the context of criminal prosecution of narcotics traffickers. In addition, the Office participated in efforts to enhance the

Government's capabilities to protect against foreign intelligence collection in the United States, international terrorism, illegal technology transfer and international narcotics activities. The office continues to represent the Department on the Senior Interagency Group/Intelligence and its Counterintelligence and Countermeasures subgroups as well as other intelligence community bodies. The Office chairs the Department Review Committee setting policy on classification and declassification of documents. It has issued legal and policy advice to a number of departments and agencies on national security topics both in broad-range and on specific intelligence operations.

The principal accomplishments of OIPR in its operational responsibilities relate to administration of the Foreign Intelligence Surveillance Act (FSIA) of 1978. Since the act was passed the office has handled a steadily increasing workload with little or no increase in staff. That is:

Calendar Year	FISA Orders
1984	632
1985	587
1986	616
1987	647
1988	679

Moreover OIPR has been given responsibility by the Attorney General to coordinate all litigation involving those aspects of criminal prosecutions in which the FISA is at issue. Since 1983 OIPR has prepared motion papers and briefs in more than twenty-seven criminal prosecutions or criminal appeals, all of which have resulted in favorable decisions in upholding the constitutionality of FISA, its use in particular cases or the actual conduct of the surveillance.

Concomitant with electronic surveillance matters, OIPR has handled a proportional increase in other operational intelligence activities which require staff and field review on behalf of the Attorney General. This includes counterintelligence investigations, undercover activities and other highly sensitive matters. Similarly, a program has been instituted to monitor FBI implementation of Domestic Security investigations under new guidelines promulgated by former Attorney General William French Smith.

In 1984, 500 complaints or other requests for investigation of Departmental employees were received and reviewed. Also monitored were approximately 1,600 additional investigations being conducted by the internal inspection units of the components. A comprehensive audit by the Office of Professional Responsibility of the I&NS was also conducted. Guided by the Office of Professional Responsibility (OPR), the Attorney General issues an annual statement to all employees of the Department reminding them of their responsibility to report misconduct encountered in the course of their duties. Efforts are also taken to ensure that all employees are reminded of the "whistle-blower" protections contained in the Civil Service Reform Act and Departmental regulations. Individual Professional Responsibility attorneys frequently conduct investigations involving Attorneys or senior Department officials against whom allegations of misconduct have been made. In addition, the Office's attorneys serve as direct Office liaison with internal inspection units in the Department to oversee and coordinate all internal investigations of serious allegations concerning the conduct of Department employees. In addition, OPR continued its program which facilitates the reporting and resolution of allegations of fraud, mismanagement, and waste of funds.

Program Changes. The Office of Intelligence Policy and Responsibility (OIPR) is requesting 2 positions, 2 workyears and $106,000 to fund two attorney positions. The resources are necessary to support the increased workload which has resulted due to the Department's expanded involvement in counterintelligence and intelligence matters. In particular, the FBI's increased counterintelligence and counterterrorism activities have added to this workload.

In addition, $200,000 is requested for OIPR and OPR to fund t implementation of the uniform office automation system within these offices.

Justice Management Division

Salaries and expenses, General Administration

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	564	588	$38,230
1987 Pay Supplemental requested	...	...	314
1987 Retirement Supplemental requested	...	...	426
1987 Program Supplemental requested	50	29	4,504
1987 Appropriation anticipated	614	617	43,474
Savings resulting from management initiatives	-4	-4	-241
Transfer to the WCF for PASS	-8	-8	-590
Uncontrollable increases:			
Annualization of Pay increase	...	...	485
Annualization of Retirement increase	...	...	1,161
Annualization of additional positions approved in 1987	...	21	1,574
One additional compensable day	...	...	91
Within-grade increases	...	...	207
Locality based per diem	...	...	95
GSA rent	...	...	946
GSA recurring reimbursable services	...	...	11
Federal Telecommunications System (FTS)	...	...	30
Telephone service	...	...	39
Employee Data and Payroll Services	...	...	27
Audio Visual and Media Services	...	...	6
General pricing level adjustment	...	...	426
Total uncontrollable increases	...	...	5,098
Decreases (automatic non-policy):			
Reduction for change in hourly rate	...	...	-61
Reduction in page costs for FR and CFR	...	...	-1
Reduction in Health Benefits	...	...	-40
Total decreases	...	...	-102
1988 base	602	626	47,639

Estimates by budget activity and decision unit	1986 Actual Perm. Pos.	WY	Amount	1987 Appropriation Anticipated Perm. Pos.	WY	Amount	1988 Base Perm. Pos.	WY	Amount	1988 Estimate Perm. Pos.	WY	Amount	Increase/Decrease Perm. Pos.	WY	Amount
1. Program Direction and Policy Coordination:															
Justice Management Div.	585	622	$39,516	614	617	$43,474	602	626	$47,639	627	652	$51,581	25	26	$3,942

Justice Management Division

Salaries and expenses, General Administration

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Program Direction and Policy Coordination:	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Justice Management Division	614	617	$43,474	602	626	$47,639	627	652	$51,581	25	26	$3,942

Long Range Goal. This decision unit is ultimately responsible for ensuring that the management initiatives of the President, the Attorney General and the Congress are implemented soundly and responsibly and that the administrative support services are delivered efficiently and effectively. This decision unit also includes the Departmental Audit function which allows the Attorney General to support the Administration's efforts against waste, fraud and abuse.

Major Objectives.

- To ensure that Department management activities are provided central direction and control.
- To ensure that administrative support services are delivered efficiently and effectively.
- To provide legal support and legislative advice in administrative/management areas.
- To provide for the security, safety and health of Departmental personnel, and safeguard property and information; ensure a high degree of responsiveness to the continuity of government during peacetime and wartime national emergencies.
- To provide Department-wide direction and staff leadership for the development and implementation of EEO policy and improved methods and procedures.
- To assure that the Attorney General is able to exercise control and policy administration in the areas of personnel, property management and procurement.

- Complete the implementation of a computerized postage system within the Office, Boards and Divisions to change the rate basis used to determine annual postage cost reimbursement to the U.S. Postal Service and provide mail management information to monitor postage costs, budget performance and variances in mail volumes.

- To design, develop, and implement an accounting system for the Department of Justice that complies with the principles and standards promulgated by the Department, the General Accounting Office, the Office of Management and Budget, the Treasury Department, and other Government control agencies.

- To develop and maintain the automated Financial Management Information System (FMIS) to facilitate budget formulation and execution, management control, and fiscal performance reporting within the Department and as a basis for OMB and Congressional submissions.

- To coordinate the President's Management Improvement Program, including "Reform '88," to effect improvements in the management and administrative systems of the Department.

- To develop a responsive case management system to assist in the effective management of the Department's litigation responsibilities.

- To increase the effectiveness and efficiency of the Department's program delivery through improved program and financial management, budgeting, program evaluations, and management assistance studies.

- To effect major improvements in the Department's automated information and communications management activities, including the provision of a comprehensive information retrieval network and the development and implementation of systems for automated legal research, litigation notice, and compatible case management and tracking.

- To provide balanced audit coverage of Department functions, programs, organizations, and activities. This includes the effective performance of ADP audits by all Audit Staff regional offices.

- To implement audit requirements established by Federal legislation and regulations, Department policy and executive initiatives.

Base Program Description. The Assistant Attorney General for Administration (AAG/A) provides direct supervision for unusually sensitive areas of management responsibility within the Justice Management Division (JMD). These areas include legal counsel, equal employment opportunity, and security programs of the Department. In addition, each of the three main organizational components of the Division is supervised by a Deputy Assistant Attorney General. This structure facilitates the administration of the Division by providing for accountability and delegation of responsibility.

The Office of Personnel and Administration, under the direction of a Deputy Assistant Attorney General, ensures that departmental orders and directives which set forth policy and program requirements for personnel, procurement and property management are developed. Personnel and procurement actions are processed ensuring adherence to all rules and regulations disseminated by Office of Personnel Management, Office of Federal Procurement Policy, General Services Administration, and other regulatory agencies. Direct management or oversight of all Departmental buildings

and space assignments, including property transfers, renovations and mail management is performed by this office. Depending upon the nature and significance of the activity, methods and procedures may vary for accomplishing the tasks at hand.

The Office of the Comptroller, under the direction of a Deputy Assistant Attorney General, ensures that the Department's management and budget responsibilities are carried out through comprehensive analyses of organization's program plans, budget estimates, appropriation and authorization requests and that these activities meet Congressional, Presidential and Departmental policy initiatives. Studies and evaluations are performed in response to concerns of Congress, OMB or Departmental management. Financial and accounting systems are operated and continuously reviewed to ensure adherence to all appropriate statutory and administrative regulations.

The activities, managed by the Deputy Assistant Attorney General for the Office of Information Technology, provide professional systems analyses, and a knowledge of the legal, regulatory and policy framework governing information processing. Additional duties performed within this program include identification and validation of department-wide information and communications requirements and reviewing Departmental data processing budget forecasts.

The Justice Management Division provides legal and legislative advice on all administrative and management matters and reviews proposed responses to legislation, rules and regulations affecting the Department. The Division also develops, administers, and evaluates implementation of Department regulations and procedures for the processing of requests under the FOIA/PA and Ethics in Government Act.

The objectives of the Department's security programs are accomplished by security specialists who determine priorities, timeframes, etc. for the completion of projects. Work conforms to overall policies and directives of the Department, Executive Orders, and other agency directives and contacts are maintained with top level agency officials on problems of unusual complexity or sensitivity. JMD represents the Department on various interagency groups and task forces that develop national level security and emergency preparedness policies.

The EEO objectives are implemented through a network of affirmative action managers, EEO counselors, investigators, special emphasis program managers, volunteer representatives, and EEO officers who are assigned full and part-time throughout the Department both at headquarters and in the field.

The Policy and Planning Office develops Departmentwide policies, plans and procedures for management and productivity improvement and serves as the central DOJ and JMD contact point for all matters related to the President's Program for Management Improvement (Reform '88), the President's Productivity Improvement Program, the President's Private Sector Survey on Cost Control (the Grace Commission), OMB Circular A-76 (Performance of Commercial Activities), and other initiatives or requirements related to management and productivity improvement.

Accomplishments and Workload:

Item	Actual 1985	Actual 1986	Estimates 1987	Estimates 1988
Internal audits	38	37	45	45
Operating plans reviewed and prepared	199	252	200	200
Small purchase actions	6,027	5,200	5,200	5,200
Vouchers processed	174,679	180,200	180,200	192,200
Personnel actions processed	25,451	21,000	26,000	26,000
Background investigations reviewed	3,700	2,628	3,000	3,000
Obligation documents processed	108,131	110,000	111,000	123,000
Mail delivered and picked up	4,430,000	4,231,000	4,431,000	4,564,000

Accomplishments.

Constructed and began operation of an all-source intelligence/information crisis management facility (Justice Command Center (JCC)) to support law enforcement and national security operational programs in both routine and emergency situations. During domestic or national security emergencies, the JCC provides the staff, physical facilities, telecommunications, and information systems to gather, collate, analyze, disseminate, record, display, file, store, and retrieve the information needed to make timely and effective decisions. The JCC provides for centralized management of information and serves as a central clearinghouse for the Department of Justice bureaus, boards, divisions, and offices to the Attorney General, so that he can make timely decisions and/or provide recommendations to the executive branch during a crisis situation.

Obtained major blocks of space in three buildings and improved the Department's housing situation in Washington, D.C. (affected organizations include the legal divisions and the U.S. Attorney for the District of Columbia). Provided design, planning, and logistical support services that will be ongoing through occupancy of the new space.

Provided the Miami U.S. Attorney's Office with significant security enhancements (obtained through efforts with GSA's Central and Regional Offices). Obtained a commitment from GSA to relocate the U.S. Attorney's Office to a new Federal law enforcement facility to be built in Miami.

Reduced energy consumption by DOJ in owned buildings on a per square foot basis by 14.1 percent from previous year level.

Served on the task force chaired by OMB and GSA for the development of a generic Governmentwide Real Property Management Information System. Focused on adopting the general design of GSA's Public Buildings Service Real Property Information System (STRIDE) to facilitate agency planning and management functions.

Developed a management information system for DOJ owned or leased real property. Expanded the system to include information for reporting the current two-year projections for increases or decreases in work space and for tracking improvements in utilization rates for the Department's annual work space management plan.

Implemented a Computer Assisted Design and Drafting System which greatly facilitates the space planning and architectural design of the Department.

Established a computerized warehouse system for the identification of undelivered orders, levels at which replenishment stock should be ordered, recording of receipts and the assignments of warehouse locations for items.

Implemented a barcode inventory system which will reduce OBD and USMS personnel time and resources needed to perform annual property inventories.

Developed and issued Departmental policy on the Performance Management and Recognition System (PMRS) and provided comprehensive training to GM 13, 14, and 15 PMRS employees and their supervisors in the operation of the system. Coordinated the payment of merit increases and performance awards under the PMRS.

Initiated an on-line personnel/pay data system (PERSPAY) which is available to all Personnel and Executive Offices. Continued development of PERSPAY applications, e.g., standard report programs, use in the PMRS incentive pay process, and personnel management evaluation activities.

Requested and received early optional retirement authority for JMD; prepared annuity estimates for 160 employees, provided counseling, and assisted employees in making application.

Recruited and provided assistance for the establishment of the DOJ International Criminal Investigative Training Program.

Coordinated the Department's response to the OMB requirements associated with Reform 88 and the President's Management Improvement Program (MIP), including preparation for the FY 1987 OMB Management Review and development of the DOJ FY 1987 Management and Productivity Improvement Plan.

Established the DOJ Competition Advocacy Program, to include the designation of a Competition Advocate for the Department and for each Bureau procuring activity, integration of the advance procurement planning process with the budget process, and revision of the Department's advance procurement planning directive to incorporate the requirements of the Competition in Contracting Act.

Assisted the U.S. Marshals Service (USMS) in the development and implementation of an accounting reporting system for the 94 USMS district offices.

Planned and implemented numerous system enhancements to improve internal control in cash management activities, including legal process debt collection.

Planned and implemented modifications to the accounting system necessary to establish an Assets Forfeiture Fund and Seized Asset Deposit Fund.

Planned, organized and initiated a project to establish the mechanism to deposit and account for fees collected on behalf of U.S. Trustees.

Significantly improved access to library materials by fully implementing the online catalog in the Main and Branch libraries. The online catalog provides extremely rapid, accurate responses to search queries via a user-friendly menu-driven interface. Enhanced processing capability reduced the time required to enter data into the online catalog from five weeks to one day.

Provided extensive technical support to the Uniform Office Automation and Case Management Project, the purpose of which is to analyze and guide the design, selection, and acquisition of inter-operable office systems for the litigating organizations. Developed a strategy/policy directive concerning the acquisition of office systems throughout the Department. This effort was conducted under the auspices of the Department of Justice Management and Productivity Improvement Program.

Developed a prototype Case Management System based on the one developed by the FBI. A functional system was completed and preparation were made for the detailed system design and the development and implementation to occur in FY 87. The new Case Management System will enable top management to adequately and accurately respond to inquiries from Congress, GAO, and OMB about the Department's cases and workload.

Program Changes. An increase of 25 positions, 26 workyears and $3,942,000 is requested to support management and productivity improvement initiatives, the necessity for increased Departmental security, provide direct resources to support administrative functions for the Organized Crime Drug Enforcement (OCDE) Task Force and to support the Office of Attorney Personnel Management.

Of the increase requested, $1,629,000 will support the implementation of a uniform office automation system in JMD. In past years various elements of the JMD have satisfied many of their own office automation needs by addressing these needs independently. This approach led to the implementation of different automated and manual systems that were not designed to share information between and among the various Division elements.

This initiative is designed to achieve Divisionwide management efficiency and productivity gains through a more coordinated and unified approach in the area of office automation and access to common databases. The new approach would build on existing accomplishments within the Division, as well as, the experience gained in the successful Uniform Office Automation and Case Management Systems Project in the Department's litigating organizations. The end result will be to achieve the desired commonality of systems in the Division. This new approach would involve conducting a comprehensive and comparative analysis of existing requirements, and review the design of systems that have been substantially implemented elsewhere in the Department (e.g. AMICUS II, the Tax/Criminal Division model, the Antitrust Division model and potentially, a U.S. Attorneys model). On the basis of these analyses, examine prototype systems and ultimately implement a single office automation software and hardware capability that not only meets

Division needs but is compatible with the system(s) selected by the litigating organizations and other major components of the Department.

The initiative will result in a uniform office automation system for the Division which will increase efficiency, strengthen management control and improve productivity. It is expected--based on preliminary needs assessments--that the Uniform System will include but not be limited to: standardized word processing; database access; inter-office and intra-office exchange/communication of documents in an editable format; financial and personnel management capabilities; office activity and management support services; and electronic mail.

Failure to fund this initiative will result in declining management control and lower productivity at a time when Central Management Agencies and the Administration and Congress are demanding increases in both these areas. Further, essential support of enforcement/litigation missions will deteriorate, causing missions essential functions to be less effective than society demands.

An increase of 6 positions, 4 workyears and $300,000 is included to comply with regulations set forth in the Classified Information Procedures Act. This law was enacted by Congress in 1980, "to provide certain pretrial, trial and appellate procedures for criminal cases involving classified information." (S 1482 96th Congress, 2nd Session.) Section 9 of the Act directed to the Attorney General, the Director of Central Intelligence Agency and the Secretary of Defense to develop security procedures. These procedures were drafted by an inter-agency committee and endorsed by the Chief Justice of the United States on February 12, 1981. The procedures require the courts to designate a Court Security Officer in criminal proceedings involving classified information, based on a recommendation by the Attorney General or Department of Justice Security Officer.

In the past, JMD has had to absorb the necessary resources required to fund this program which resulted in robbing other important security programs. Recent reports from Congressional and Executive Branch committees have demanded improvements in all areas of security. Therefore, the requested resources are imperative to meet the criteria established for the Department.

Of the total increase requested, 7 positions, 7 workyears, and $500,000 will provide resources to directly fund the Task Force Administrative staff of the OCDE program. The Administrative staff was originally created to provide central coordination, policy guidance and administrative support to the twelve regional Drug Task Forces. The staff performs as the support and monitoring body between the individual Task Force coordinating groups and the Office of the Deputy Attorney General. The staff tracks and monitors Task Force cases, performs program analysis and evaluation, prepares testimony and information for the Attorney General, the Deputy Attorney General, the Congress, the media, and others concerning the Task Force issues, performs legal research for Task Force support, and manages the State and local Law Enforcement Overtime Fund. Funding for this staff is currently provided on a reimbursable basis from the Drug Enforcement Administration, Federal Bureau of Investigation and the Executive Office for U.S. Attorneys. In light of the current budget situation, and as these agencies become hard-pressed to meet other resource requirements, the Department is requesting separate funding for the Task Force Administrative staff so that the OCDE initiative will not be jeopardized by funding constraints of the agencies that support this unit.

In addition, an increase of 12 positions, 15 workyears and $700,000 is requested to provide resources to support the Office of Attorney Personnal Management (OAPM). The OAPM was established in the Department in 1978 and funded with existing available resources.

The Deputy and Associate Attorneys General have authority over all aspects of attorney personnel management. They have delegated this responsibility to the Director of OAPM for all attorneys GS-15 and below, Assistant U.S. Attorneys, Assistant U.S. Trustees, and law students. The OAPM has substantive responsibility in the areas of recruitment, hiring, background investigations, performance appraisals, proposed actions for promotions, discipline and terminations, and maintenance of official personnel files, for almost all Department attorneys and law students. In addition, OAPM is responsible for the Attorney General's Honor Program for graduating law students and Judicial Law Clerks.

OAPM has contributed to funding shortages due to the original absorption of funds at the time the office was established, and the increasing demands placed on this office which have warranted its increase in size over the past years. Since FY 1984, OAPM has received reimbursement from several Department components for the Honors Graduate Program. However, these reimbursements have been minimal in relation to the cost of operating this office. Therefore, the Department is requesting a program increase to fully fund the OAPM.

Additionally, resources of $813,000 are requested for maintenance and upgrading of fixed plant equipment within the Main Justice Building. The resources will fund three major projects: (1) upgrade of the Air Handler Unit (AHU), $298,000; (2) upgrade of elevators, $330,000; (3) and ventilation of the elevator penthouse, $185,000.

The Main Justice Building has nine central AHUs and several ancillary units that provide heating, ventilation, and air conditioning (HVAC) to the building. The nine central AHU's are original building equipment and over fifty years old. Because of the age and physical deterioration of the air handlers, they have become less efficient requiring additional energy to run the HVAC for the building. The renovations plan replacement of most of the internal parts to include dampers, larger capacity chilled water coils, preheat dampers, condensate pans, controls, valves, and the removal of asbestos on eight AHU's (note: one AHU will be upgrade during FY 1987). The benefits of this project include reduced energy consumption, better working conditions for employees, and the choice of using fresh outside air to ventilate the building and increase the air distribution to the offices thereby pressurizing the building and providing free cooling when the outside temperature is suitable.

The Department has initiated a program to upgrade the elevators that are over 30 years old. Currently, the elevators are electro-mechnical and were acquired from four companies--Otis, Armor, General Electric, and Warfield and Sanford. The proposed funds would be used to convert 2 banks (8 elevators) from electro-mechanical to electronic circuit boards. The elevator upgrade will enable the Department to standardize the elevator parts, reduce maintenance and to bring the elevators up to current National and Federal codes.

The thirteen elevator penthouse areas located in the attic of the building are currently cooled by thirteen separate air conditioning units. These units are in use 365 days per year to provide cooling to the electro-mechanical elevator contacts, generators, and motors. Design specifications have been prepared for a system to provide 100 per cent outside air exchange capability utilizing supply and exhaust fans, dampers, louvers and associated controls

(separate from the existing system), and to provide temperature and humidity controls that are interfaced with existing equipment. This configuration will allow the penthouse areas to be cooled utilizing outside air during the spring, fall, and winter of the year thereby providing a savings on the high electrical usage of the existing cooling system.

Administrative Review and Appeals

Salaries and expenses, General Administration

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	298	343	$16,833
1987 Pay Supplemental requested	...	...	126
1987 Retirement Supplemental requested	...	...	174
1987 Program Supplemental requested	200	42	6,285
1987 Appropriation anticipated	498	385	23,418
Transfer to the WCF for Financial and Administrative Systems Support Group	...	...	3
Uncontrollable increases:			
Annualization of Pay increase	...	...	193
Annualization of Retirement increase	...	...	479
Annualization of additional positions approved in 1987	...	126	9,290
One additional compensable day	...	...	44
Within-grade increases	...	...	100
Locality based per diem	...	...	69
GSA rent	...	...	350
GSA recurring reimbursable services	...	...	1
Federal Telecommunications System (FTS)	...	...	2
Employee Data and Payroll Services	...	...	13
Audio Visual and Media Services	...	...	1
General pricing level adjustment	...	...	129
Total uncontrollable increases	...	...	10,671
Decreases (automatic non-policy):			
Reduction for change in hourly rate	...	...	-23
Reduction in page costs for FR and CFR	...	...	...
Reduction in Health Benefits	...	...	-21
Total decreases	...	...	-44
1988 base	498	511	34,048

Estimates by budget activity and decision unit	1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
2. Administrative Review and Appeals	298	270	$15,396	498	385	$23,418	498	511	$34,048	511	521	$35,047	13	10	$999

Administrative Review and Appeals

Salaries and expenses, General Administration

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Administrative Review and Appeals:	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Pardon Attorney	8	9	$517	8	9	$561	8	9	$561	...	...	...
Executive Office for Immigration Review	490	376	22,901	490	502	33,487	503	512	34,486	13	10	$999
Total	498	385	23,418	498	511	34,048	511	521	35,047	13	10	999

Long Range Goal. To provide a uniform interpretation and application of immigration law, and to provide the President with the necessary advice to enable the informed exercise of his pardoning authority.

Major Objectives.

To expedite all immigration cases, for which EOIR is responsible, including those received pursuant to the provisions of the 1986 Immigration Reform and Control Act while ensuring fair treatment for all parties involved.

To evaluate, manage and expedite the processing of the steadily increasing caseload receipts and reduce the existing backlog.

To automate, wherever feasible, the functions of EOIR, particularly in the areas of case processing, collection of workload statistics, and performing legal research.

To increase productivity by streamlining procedures and implementing management improvements.

To receive, process and investigate all clemency applications.

To prepare the Deputy Attorney General's recommendations of clemency to the President.

Base Program Description. The Executive Office for Immigration Review (EOIR) was created January 1, 1983, through an internal Department of Justice reorganization which combined the Immigration Judge function previously performed by the employees of the Immigration and Naturalization Service (INS) with the Board of Immigration Appeals (BIA). As a result of the reorganization, EOIR is comprised of three major entities: the Office of the Director, the Immigration Judges, and the Board of Immigration Appeals.

The following provides more detailed information on the responsibilities of each of these entities:

1. Office of the Director - EOIR is headed by a Director who is responsible for the general supervision of the BIA and the Office of the Chief Immigration Judge in the execution of their duties in accordance with 8 CFR Part 3. The Director exercises the authority delegated by the Attorney General and represents the position and policies of the EOIR to the Attorney General, the Deputy Attorney General, members of Congress and other governmental bodies, the press, the bar and private groups interested in immigration matters. The Administrative Services Unit supports the Director by providing necessary procurement, facilities, personnel, budget and related administrative matters for the BIA and the Office of the Chief Immigration Judge. The direction, supervision and final action in these matters, along with the operation and management of the EOIR rests with the Director.

2. Office of the Chief Immigration Judge - It is the responsibility of the Chief Immigration Judge to provide overall program direction, articulate policy and establish priorities for the 66 Immigration Judges located in 20 field offices throughout the United States. Generally, Immigration Judges hold hearings to determine the status of an alien. Exclusion hearings are held when aliens are believed by the examining inspector at the port of entry to be inadmissible to the United States. The Immigration Judges's order may admit or exclude the alien, or permit withdrawal of the application for admission. Deportation hearings are held in cases where an alien's status is challenged after entry into the United States. The Immigration Judge may order the alien deported; grant relief from deportation such as voluntary departure, suspension of deportation, registry, adjustment of status, political asylum or waiver of deportability; or, if the Immigration Judge decides that deportability has not been established, terminate the proceedings. Bond redetermination hearings are held when an alien in custody seeks release on his/her own recognizance or a reduction in the amount of the bond.

3. Board of Immigration Appeals - Under the Direction of the Chairman, the Board hears appeals from decisions of Immigration Judges and certain decisions of INS officers in a wide variety of proceedings in which the Government of the United States is one party and the other party is either an alien, or a citizen or a business firm. The Board is directed to exercise its independent judgment in hearing appeals for the Attorney General and provides a nationally uniform application of the immigration laws, both in terms of the interpretation of the law and the exercise of the significant discretion vested in the Attorney General. The majority of cases before the Board involve appeals from orders of Immigration Judges entered in deportation and exclusion proceedings. The appeals from decisions of INS officers reviewed by the Board principally involve appeals from familial visa petition denials and decisions involving administrative fines. The Board also renders decisions on applications by organizations that have requested permission to practice before the Board, the Immigration Judges, and the Service, and renders decisions on individual applications by employees of such organizations. The statutory authority for the program is contained in Section 103 of the Immigration and Nationality Act of 1952 (8 U.S.C. 1103). The Attorney General had delegated certain of his powers to the Board in 8 CFR 3.1.

Office of the Pardon Attorney - The President exercises the pardon power, conferred on him by Article II, Section 2, Clause 1 of the Constitution, upon formal application and the recommendation of the Deputy Attorney General, who has been delegated this function by the Attorney General. The Office of the Pardon Attorney (OPA) assists the Deputy Attorney General in providing whatever information is deemed necessary and desirable to make a fair and informed decision in each case. OPA is the focal point for the receipt, investigation and consideration of petitions for all forms of Executive clemency and serves as the principal liaison with the general public in clemency matters.

There are two major forms of Executive clemency, pardon after completion of sentence and commutation of sentence. Remission of fine and reprieve are less common forms of clemency. The pardon process commences with the submission of a formal petition addressed to the President, together with a personal oath and three character affidavits, requesting a pardon. A comprehensive financial statement also is required of those petitioners seeking a remission of fine. Upon receipt, the petition is docketed, subject to a preliminary review for completeness and compliance with existing rules, and an acknowledgement and/or request for further information is sent to the petitioner or his attorney. Pardon applications customarily are referred to the Federal Bureau of Investigation (FBI) to conduct a background investigation, the scope and duration of which may vary in each case. Review of petitions seeking a commutation of sentence initially is limited to relevant Bureau of Prisons and presentence reports. Following the receipt of the FBI investigative reports or, in commutation cases, the relevant inmate files, the Pardon Attorney reviews the reports to determine whether favorable consideration may be warranted. If further consideration is deemed appropriate, memoranda are prepared soliciting comments and recommendations from the sentencing judge and United States Attorney. These officials are generally given 60 days within which to reply. Other concerned Government agencies may be consulted depending on the nature of the case (e.g., Internal Revenue Service in tax evasion cases, Department of Defense in military cases, Criminal Division, or the appropriate Strike Force Chief in cases involving suspected organized crime figures or former Department of Justice attorneys, and the Drug Enforcement Administration in narcotics law violation cases). In addition, the views of the Director, Bureau of Prisons, customarily are obtained before the commutation of an inmate's sentence is recommended.

Accomplishments and Workload:

PARDON ATTORNEY

	1985 Actual	1986 Actual	1987 Estimate	1988 Estimate
Cases:				
Grants of pardon	32	55	55	55
Grants of commutation	3	0	5	5
Denials and no actions	248	290	250	250
Correspondence sent out	12,608	16,077	15,700	15,700

EXECUTIVE OFFICE FOR IMMIGRATION REVIEW

	1986 Actual	1987 Estimate	1988 Estimate
Appeals, motions, hearings and petitions pending, beginning of year	86,946	66,115	62,213
Received	123,186	181,127	271,277
Terminated	144,017	185,029	237,013
Pending, end of year	66,115	62,213	96,477

Accomplishments. For 1985, the Board received 4,911 cases and entered orders in 3,870 cases. Annual receipts for 1986 were 8,608 cases and 5,471 decisions rendered leaving a pending backlog of 4,918 cases at the beginning of 1987.

Since 1983 and continuing through 1987, EOIR has proceeded with the implementation of several management initiatives and improvements. These improvements, designed to ensure the fair treatment of parties to immigration court hearings, expedite case processing, standardize field office operations, streamline the hearing process and facilitate management control, include the following: the implementation of a manual information system which standardizes procedures involving the collection and reporting of workload data; the design and implementation of a uniform docket system which defines office and case processing procedures and enables EOIR to control hearing calendars; the drafting and preparation for final publication in the Federal Register of Rules of Procedure which will codify the procedures to be followed by the participants in immigration court hearings; the development of a nationwide contract for transcription services; the acquisition of automated Western Union services to expedite the sending of notices to affected parties; the development of a nationwide contract for interpreter services; the completion of an Immigration Judge benchbook; and the design of EOIR's nationwide ADP system, which began implementation during the third quarter of 1985. In addition to the three cities EOIR brought on-line in 1985 (Miami, El Paso and Washington, D.C.), ANSIR was implemented in San Francisco, Chicago, New York and Newark during 1986.

In recognition of the importance of continuation education for Immigration Judges, EOIR has conducted annually since 1983, three highly successful Immigration Judges Conferences. This annual event assembles the entire corp of Immigration Judges for training in developing immigration law, innovative methods and procedures which increase productivity, the review of EOIR's Uniform Docketing System, and the Automated Data System as well as other management initiatives. In addition to the important exchange of ideas, and information, judges attended sessions conducted by representatives of EOIR management, the State Department, INS, judicial caseload management experts, and the private bar designed to inform them on current trends and developments affecting their judicial function. Further, in 1983, EOIR established and conducted, in conjunction with the Attorney General's Advocacy Institute, a one-week training course for new Immigration Judges. This concentrated training effort was continued during fiscal years 1984 through 1986 and has become a permanent fixture of EOIR's overall program. Planning for these conferences required considerable staff time and close coordination with participants outside EOIR to ensure success.

In furtherance of its organizational goals, EOIR has continued to meet regularly with top level INS representatives, members of the private bar and volunteer organizations. The liaison with INS is of particular importance to coordinate program direction, planning and resource allocation.

The Office of the Director completed hiring actions for 1986 totalling 89, bringing the number on-board employees to 266 at the end of 1986. Of these new hires, five were Immigration Judges, most of whom were hired from outside the Department and whose experience include judgeships at the state and local level.

Beginning in 1985 and continuing throughout 1987, EOIR has utilized a private sector vendor to provide interpreters at Immigration Judge hearings where such services are required. Effective mid-1984 and continuing through 1985, EOIR has used outside contractors to transcribe tapes of Immigration Judge proceedings. Beginning in 1985, EOIR contracted with one major transcription firm to process its hearing tapes. EOIR continued in 1986 with this contractor to perform this service. Both the interpreter and transcription contract continue to require extensive EOIR staff time and close coordination within EOIR and JMD.

The Office of the Pardon Attorney (OPA) processes a very large caseload and a growing correspondence workload with a relatively small staff of attorneys and administrative support personnel. During 1985, OPA processed 32 grants of pardon, three grants of commutation and handled 279 petitions which, after careful consideration, necessitated denial or no further action. OPA sent out 14,868 items of correspondence, reports and memoranda, a significant amount of which (1,057 pieces) was addressed to the White House or Congress. During 1986, 55 pardons and no commutations have been granted; 290 petitions were either denied or closed without further action in accordance with clemency procedures; and 16,077 pieces of correspondence, reports and memoranda were answered (1,234 of which were White House or Congressional referrals).

In support of the President's goal of improving the criminal justice system, the Pardon Attorney, relying principally upon the improved information base provided by more detailed application forms used by pardon applicants, has reduced the number of costly background investigations which customarily are conducted by the FBI in pardon cases. In addition, the Pardon Attorney, in consultation with the Deputy Attorney General, has taken a more exacting approach in determining the worthiness of applicants for clemency than generally prevailed in the past. This has entailed a more careful screening of applicants and more thorough background investigations, as well as the application of stricter standards for granting clemency.

Program Changes. EOIR is requesting 12 positions, 9 FTE, and $379,000 for the Board of Immigration Appeals (BIA) to address the increase in its pending caseload. Since FY 1984, BIA's increase in case receipts has risen by over 197 percent, i.e., from 2,898 in 1984 to 8,608 cases for 1986. This dramatic growth is directly attributable to the increased productivity by EOIR's Immigration Judges and the improved processing of backlogged transcripts by EOIR's contract vendor. During this same time frame, the Board has experienced a significant increase in productivity from 3,339 completed cases in 1984 to 5,471 in 1986 (over 64 percent) with only a 15 percent increase in staffing resources. Even with the improved completion rate, EOIR's backlog at the Board has risen over 565 percent, from 740 cases at the end of September 1984 to 4,918 at the close of FY 1986. EOIR anticipates that case receipts will remain stabilized at 8,608 for 1987. For 1988, BIA anticipates an additional 2,150 cases as a result of the criminal alien provisions of the 1986 Immigration Reform and Control Act. EOIR is further projecting for 1987 that the Board will be able to maintain its increased completion rate at 5,471 cases. Assuming that receipt and completion rates outlined in the accomplishments section, the pending cases will grow from 4,918 in 1986 to 11,113 by the end of 1988 or almost 126 percent. EOIR is requesting staffing resources necessary to complete approximately 75 percent of its case receipts for 1988 thus slowing the growth of the backlog. Absent these resources, BIA's pending cases will have grown by over 1,402 percent since 1984.

In addition, an increase of 1 position, 1 workyear and $620,000 has been requested for EOIR to allow for full implementation of its highly successful Automated Nationwide System for Immigration Review (ANSIR) and for systems enhancements covered under the existing contract. The ANSIR System meets all of the case management and information needs of EOIR, including: aggregate and case-specific management information; case tracking; automation of numerous clerical case processing functions; word processing; electronic mail capabilities; and access to the JURIS legal research data base.

These additional funds will be used for the acquisition of equipment to provide ready access to ANSIR for all EOIR personnel. The equipment will be focused in three areas. First, terminals will be added in all courtrooms optimizing the use of the automatic calendar sub-system. In addition, portable professional computers will be acquired to provide access to ANSIR for all judges on detail at various hearing locations. Finally, terminals will be added to the Office of the Director and the Board of Immigration Apppeals to augment the system installed in 1987 thereby completing full implementation of ANSIR.

Department of Justice

General Administration

Working Capital Fund

Estimates for Fiscal Year 1988

Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes in Appropriation Language	2
Summary of Requirements	3
Justification of Program and Performance	4
Summary of Requirements by Grade and Object Class	6

General Administration

Working Capital Fund

Summary Statement

Fiscal Year 1988

The Working Capital Fund (WCF) is requesting, for 1988, an appropriation of $4,000,000 to relocate the Washington, D.C. Data Center and to consolidate separate data communications networks into a single network. Additional capitalization of the Fund is necessary because current assets are inadequate.

General Administration

Working Capital Fund

Justification of Proposed Changes in Appropriation Language

The 1988 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Working Capital Fund

For additional capital for the Working Capital Fund, $4,000,000, to remain available until expended.

(28 U.S.C. 527)

Explanation of changes:

The change will permit the Department to relocate the Washington, D.C. Data Center and to consolidate the Department's separate data communications networks into a single network.

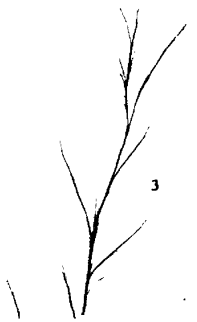
General Administration

Working Capital Fund

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Amount
1987 as enacted	...
1988 base	...

	1986 As Enacted	1986 Actual	1987 Appropriation	1'88 Base	1988 Estimate	Increase/Decrease
Estimates by Program						
Working Capital Fund	...	...	...	...	$4,000	$4,000



General Administration

Working Capital Fund

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Working Capital Fund	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Working Capital Fund.....	...	...	...	...	...	...	...	...	$4,000	...	...	$,000

Long Range Goal: To provide increased physical security and data processing capacity and the near total facility reliability for the continued growth of the litigation, investigative, law enforcement, and immigration user systems.

Major Objectives:

To relocate the Justice Data Center - Washington, D.C.

To begin consolidation of the Department's various telecommunications networks into a single, integrated network.

Base Program Description: The Computer Technology and Telecommunications Staff (CTTS) operates two data centers in support of the information processing requirements of its users. The CTTS is responsible for providing facilities, equipment, and ADP services in support of the litigation, law enforcement, custody, immigration, and management/administrative missions of the Offices, Boards, Divisions and Bureaus. The data center in Washington contains 24,400 square feet of conditioned space. This facility, which was first constructed in 1974 and expanded to its present size in 1979, is beset with severe air conditioning, physical security, electrical problems, and space constraints. The building architecture is designed for office space and places severe restrictions upon the height of the raised floor and the floor-to-ceiling height within the data center. In order to enable the expansion of the data center to accommodate expanding user requirements, by 1988, it will be necessary that a new, larger facility be acquired. State-of-the-art process type air conditioning, conditioned electrical power, and an Uninterruptible Power Supply System are required. The present building is not architecturally suitable to enable construction of a physically secure state-of-the-art, 45,000 square feet data center.

A proposed Rockville location for the Justice Computer Service (JCS) currently houses a high quality state-of-the-art commercial data center, which will bring to the Department significant improvements over the inadequate existing facility. However, there will be a number of essential enhancements required to provide critical reliability in support of the life and property systems of the Department of Justice.

The Department's law enforcement mission requires a data center with supporting telecommunication services that operate 24 hours a day, 7 days a week. The Rockville location has an uninterruptible power supply system in the form of batteries; however, they will only provide electricity to allow time for an immediate, orderly shutdown of the data center. In order to assure maximum data center availability, it is necessary to obtain and install diesel powered generators to provide electricity for the central processing units and their peripheral equipment, teleprocessing equipment, air conditioning, lighting and other environmental support facilities. The necessary electrical switch gear, diesel fuel storage tanks, an enclosure to house the equipment, and other requirements to operate this backup source of electrical power will have to be procured, tested, and installed.

The existing height of the raised floor is only 18 inches above the concrete floor of the building. This space is not sufficient to house the necessary cables (power, data and telephone), water lines for air conditioning, and other conduit and connectors which are required to operate a facility of this size and complexity. This space also serves as the air conditioning duct that supplies cold air to all of the equipment. The optimum space required for this purpose is 30 inches. This requires raising the floor another 12 inches, necessitating new floor supports, the modification of entrances to the area and moving electrical, telephone and other utility items that may be on pillars and walls.

With regard to telecommunications support, additional hardware, software, parallel communications support, and network control facilities are the major necessary components for a successful transition. A significantly enhanced network control environment consisting of hardware, software, maintenance and training is required to support existing and future national and international data communications networking. This function's primary purposes are to monitor and control data traffic, analyze and resolve communications disruptions, and extract key management information for such activities as billing and network optimization. Additional front-end data communications hardware and software will also be required to support additional Department users as current resources are saturated. Finally, in order to assure continuity of service during the transition period, parallel communications links must be employed.

In addition to the above, there are always modifications a new tenant requires in a building. Among expected modifications are: the physical security system, the environmental sensors, alarms and controls, and other changes that are discovered only after a closer evaluation by the technical staff of what is actually available.

Program Changes. An appropriation of $4,000,000 is requested to provide the various leasehold improvements and equipment purchases described above.

General Administration

Working Capital Fund

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1987 Estimate Workyears	1987 Estimate Amount	1988 Request Workyears	1988 Request Amount	Increase/Decrease Workyears	Increase/Decrease Amount
31.0 Equipment	...	...	...	$4,000	...	$4,000
Total obligations		...		$4,000		$4,000
Relocation of obligations to outlays:						
Obligated balance, start of year		...		...		
Obligated balance, end of year		...		4,000		
Outlays		...		4,000		

OPENING STATEMENT

Mr. SMITH. Mr. Flickinger, you may proceed with your statement.

Mr. FLICKINGER. Yes, sir. If it is agreeable, I will just submit that for the record.

Mr. SMITH. All right. We will insert it in the record at this point.

[The prepared statement and biography of Mr. Flickinger follows:]

GENERAL ADMINISTRATION APPROPRIATION

STATEMENT OF THE ACTING ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION, HARRY H. FLICKINGER BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to appear before you in support of the General Administration appropriation request. The Department is requesting for the General Administration appropriation $103,513,000 to fund 1,314 positions and 1,358 workyears. This request represents an increase of 53 positions, 198 workyears, and $23,948,000 over the 1987 appropriation anticipated.

The anticipated 1987 appropriation provides for requested supplementals totalling $12,565,000 to fund 250 positions and 71 workyears. These supplementals include resources for newly enacted legislation (i.e., Private Counsel for Debt Collection, Immigration Reform and U.S. Trustees Expansion), national security, and uncontrollable costs associated with relocation, pay, retirement, telecommunications, and space rent.

Private Counsel for Debt Collection

The Attorney General was authorized to retain private counsel in five districts for collection of debts. We requested $2,234,000 in the 1987 supplemental request to get this program started. In 1988, the Department is proposing a program of 22 positions and $2.8 million under the same appropriation. It is expected that almost $91 million will be collected for this small amount of Federal resources spent.

Immigration Reform

The 1987 appropriation anticipated includes a supplemental increase of $5,823,000 to fund 200 positions and 42 workyears for the Executive Oifice for Immigration Review's anticipated workload associated with the implementation of the Immigration Reform and Control Act of 1986. The 1988 request includes uncontrollable increases of $9,290,000 to partially annualize the 200 positions requested in 1987.

The requested resources include funds to expand the implementation of EOIR's automated system to four additional offices by the end of 1987, and to address anticipated workload associated with deportable criminal aliens, convicted annually, in the State and Federal court systems.

U.S. Trustees Expansion

The 1987 supplemental request includes 16 positions and $557,000 to support administrative responsibilities resulting from the U.S. Trustees expansion project.

The 1988 request also includes program increases to fund additional workload, current staffing levels, and the implementation of a uniform office automation system.

Department Leadership

The Department's budget has grown over 140 percent since FY 1981. During this same time period, the Department's staffing level has increased almost 40 percent. Much of this growth is because the Congress has enacted many new statutory responsibilities for the Department's leadership to execute on behalf of the American people--such as--the Organized Crime Drug



Enforcement initiative, the Comprehensive Crime Control Act of 1984, the Anti-Drug Abuse Act of 1986, and the Immigration Reform and Control Act of 1986.

However, despite the increase in Department leadership responsibilities, the staffing has been reduced approximately 30 percent compared to levels authorized during the previous Administration. Given the growth previously described, an increase in attorney personnel has been requested for the Department leadership program so that it can aid the Department's policy officials in providing adequate policy and program guidance, oversight and control to the organizations which implement the more than 150 Department of Justice programs.

Public and Legislative Affairs

Also in line with the cited growth, the Offices of Public Affairs and Legislative Affairs have experienced deficits over the years, which have required reprogramming of resources. The Administration has recognized this structural deficit situation within the General Administration appropriation and has authorized the Department to seek the necessary resources in the 1988 budget to correct the situation. Due to the nature of the functions performed in these two program areas, there has been a direct relationship between workload increases in the Department (e.g., War on Drugs, Immigration Reform, etc.) and the demands placed on these programs. The workload of these staffs will require that current staff levels be maintained in 1988.

In addition, resources are requested to provide direct funding for the Task Force Administrative Unit of the Organized

Crime Drug Enforcement Program. This unit was originally created to provide central coordination, policy guidance and administrative support to the regional Drug Task Forces. Resources are also requested for the Justice Management Division to support Departmental Attorney Personnel Management. Specifically, this would provide support for attorney recruitment, hiring, background investigations, performance appraisals, proposed action for promotions, discipline and terminations, and maintenance of official personnel files.

Intelligence Policy and Review

Additionally, personnel resources are requested for the Office of Intelligence Policy and Review and the Justice Management Division to address increased workload which has resulted due to the Department's expanded involvement in national security and foreign counterintelligence matters.

Office Automation

The Department is proceeding with the implementation of a uniform office automation system in the litigating organizations and management offices. The objectives of this project are to bring about increased coordination, consolidation, cost savings, productivity, and the reduction of economic and technological obsolescence of ADP and word processing equipment. Therefore, the 1988 request includes $3,029,000 to implement a uniform office automation system for offices in the General Administration appropriation.

Executive Office for Immigration Review

The 1988 estimate also includes program increases of 13 positions and $999,000 to provide the Executive Office for Immigration Review with resources to fully implement the Automated Nationwide System for Immigration Review. This system meets all of the Case Management and Information needs of this office. Additionally, resources are requested to address the Board of Immigration Appeal's workload and case backlog. Since FY 1984, the increase in case receipts has risen by over 197 percent.

That is a brief summary of our request. I will be happy to entertain any questions you or the other members of the Subcommittee may have regarding this request.

BIOGRAPHY—HARRY H. FLICKINGER

Harry H. Flickinger was appointed the Acting Assistant Attorney General for Administration in October 1986. In this capacity, he serves as a principal management counselor to the Attorney General and manages the full range of administrative support activities of the Department of Justice. Prior to this appointment, he served as the Associate Assistant Attorney General for Administration, and as the Deputy Assistant Attorney General for Administration for the Department's Office of Personnel and Administration.

Harry H. Flickinger received a Bachelor of Science degree in Psychology from the University of Maryland. He was a member of Psych Chi, the National Honor Society in Psychology. He also attended the U.S. Air Force Intelligence Officers School at Sheppard Air Force Base.

In addition, to the above-mentioned positions, Harry H. Flickinger has served as the Director of Personnel or Assistant Director of Personnel at the following Federal agencies: Department of Justice, Office of Management and Budget, Atomic Energy Commission, and the Department of Energy.

STATEMENT SUMMARY

Mr. FLICKINGER. First of all, Mr. Chairman, I appreciate the opportunity to appear before the committee, and I would like to thank the committee at the outset for your action on the supplemental request. We are most appreciative of that.

The request for the General Administration appropriation for 1988 in total is $103,513,000 to fund 1,314 positions. This represents an increase of 53 positions and $23,948,000 over the 1987 anticipated appropriation.

The major components of the increase—that is, the $23,948,000—break out roughly along the following lines. I won't go into detail, but let me just hit the major components. First of all, we are requesting some $10,864,000 for annualization of our program supplemental costs. These basically consist of 200 positions, $9.3 million for the Executive Office for Immigration Review for the expanded deportation case handling there; and another 22 positions, and $.5 million in annualization for a total of $2.8 million for the new debt collection activity that we are establishing.

We also have $2,132,000 in our request for annualization of the Federal Employees Retirement System, another $881,000 for annualization of the 1987 pay increase. We also have a GSA rent uncontrollable increase of $1,658,000.

In terms of program changes, the totals there are 65 positions and $7,888,000.

Again, let me just touch on the major items and then we will get to the questions if you wish.

We are looking at positions and funds to cover onboard personnel in our Public Affairs Office, 14 positions specifically; and in the Office of Legislative Affairs, another 7 positions. We are requesting staff increases to support the Classified Information Procedures Act, 6 positions, $300,000. We are asking for direct resources for the Task Force Administrative Unit that supports the Organized-Crime Drug Enforcement Program, seven positions, $500,000. We are requesting direct resources for our Office of Attorney Personnel Management, some 12 positions, $700,000. We are also requesting attorney and support personnel to address increased workload in the Board of Immigration Appeals, 12 positions, $379,000.

Also, we are requesting $620,000 for the full implementation of the Automated Nationwide System for Immigration Review activities in the Executive Office for Immigration Review.

We also have additional requests: $1.4 million for office automation for the senior policy offices and another $1.6 million for office automation activities in the Justice Management Division.

I think I will hold the summary at that point, Mr. Chairman. I do have additional requests that you may want to discuss in some detail.

STAFFING LEVELS

Mr. SMITH. You're talking about a lot of new positions. Why can't you take care of some of these by internal shifts, or are you proposing to shift some people to take care of some of these needs?

Mr. FLICKINGER. One of our problems currently is some of these requests are frankly situations where we have been carrying people on board and have had to shift and make reprogrammings just to maintain the current levels; specifically the Public Affairs Office and the Legislative Affairs Offices. We have been carrying those staffs for some time now, and it is not a question in that case of being able to pull from elsewhere. We have had to do that to accommodate overages up until this point. We are basically trying to make ourselves whole in some of these areas.

Mr. SMITH. How many handle legislative affairs?

Mr. FLICKINGER. The total staff?

Mr. SMITH. Yes.

Mr. FLICKINGER. Twenty-seven total are currently on board.

Mr. SMITH. Why do you need 27 in legislative affairs?

Mr. FLICKINGER. Well, in part, it reflects that the growth of the Department of Justice—and it may be unique in this respect—has been substantial over the last seven, eight years. This year you can appreciate, with the additional legislation, it is only going to get heavier. The activity in the Office of Legislative Affairs has been very, very heavy, particularly with the increased legislative activities.

DISTINCTION BETWEEN PUBLIC AND LEGISLATIVE AFFAIRS

Mr. SMITH. Well, what's the difference between legislative affairs and public affairs?

Mr. FLICKINGER. Public affairs basically is the media interface. That is strictly the press, radio, TV coverage.

Mr. SMITH. And how many are in that?

Mr. FLICKINGER. And some speechmaking.

Mr. SMITH. How many?

Mr. FLICKINGER. Total in public affairs is?

Mr. ROPER. Well, there are currently 13 positions. There are about 27 to 28 people involved.

Mr. SMITH. So you would double the amount there?

Mr. ROPER. Well, the people are there today.

Mr. FLICKINGER. They are in place.

Mr. ROPER. The Administration's budget request—basically recognized that we have a structural deficit in the General Administration appropriation, and the Administration has supported us in asking for the positions and the funding to correct the problem.

Mr. SMITH. How did you finance those additional 14?

Mr. ROPER. The answer, sir, in the last several years we have proposed reprogrammings, mainly out of the Justice Management Division, which means that we had deferred——

Mr. SMITH. Each year?

Mr. ROPER. For at least the last two years, I believe, we have submitted reprogrammings to this Committee, and we have had to defer automation projects basically to do that.

STAFFING FOR LEGISLATIVE AFFAIRS

Mr. SMITH. You have one legislative affairs in your division. Do others have one?

Mr. FLICKINGER. Yes, sir. We have—what I am talking about is the Department's Office of Legislative Affairs. The major bureaus also have some limited staff.

Mr. SMITH. How many are there already altogether in legislative affairs in the Department?

Mr. ROPER. I could venture a guess.

Mr. FLICKINGER. Yes. It would be a wild guess, probably at least double what we have in the Department.

Mr. ROPER. Correct.

Mr. SMITH. You mean all the rest together would have about the same as you have in your one?

Mr. FLICKINGER. That may be an outrageous guess, but that's——

Mr. SMITH. Why don't you put in the record what they are and where they are?

Mr. FLICKINGER. Yes, sir.

[The information follows:]

LEGISLATIVE AFFAIRS

In addition to the Department's Office of Legislative Affairs, the following chart reflects personnel in other Department organizations that support the Department's legislative affairs function.

Organization	Authorized positions	On-board
General Administration	22	[1] 29
Federal Bureau of Investigation	16	[2] 16
Drug Enforcement Administration	9	9
Bureau of Prisons	0	[3] 3
Immigration and Naturalization Service	22	[4] 22
Office of Justice Programs	4	4
Tax Division	4	3
Criminal Division	7	[5] 7
Land and Natural Resources Division	3	[6] 3
Civil Rights Division	1	1
INTERPOL–USNCB	0	[7] 1
U.S. Attorneys	0	[8] 5
U.S. Marshal's Service	2	2
Antitrust Division	0	4
U.S. Parole Commission	1	1
Total	91	110

[1] The authorized positions and on-board count for General Administration reflects 20 authorized positions and 27 on-board for the Department's Office of Legislative Affairs. In addition, 2 authorized positions and 2 on-board reflected for personnel in the Justice Management Division who support this function on a part-time basis. The 2 on-board, however, only utilize approximately 1.5 FTE workyears.

[2] The on-board count for the Federal Bureau of Investigation represent the level authorized.

[3] The on-board count for the Bureau of Prisons represents the utilization of 3 workyears. The staff members in the Bureau of Prisons who perform Congressional affairs functions also support other functions unrelated to Congressional and Legislative affairs.

[4] The on-board count for the Immigration and Naturalization Service includes 20 employees at the headquarters office and 2 positions in the field.

[5] The Criminal Division has 6 permanent employees on-board and 1 part-time employee on-board. Therefore, the workyears utilized for this function are approximately 6.4.

[6] The Land and Natural Resources Division assigns legislative, congressional and public affairs functions to the same people. Discrete data on hours worked in each function are unavailable. Since legislative affairs represents the major portion of their work, the three positions are reflected under that heading.

[7] The INTERPOL-USNCB has one person on-board for this function; however, only .5 workyear is utilized.

[8] The on-board count for the U.S. Attorneys represents the utilization of 4.7 workyears. These individuals who perform legislative affairs functions also support other functions unrelated to Congressional and legislative affairs.

STAFFING FOR PUBLIC AFFAIRS

Mr. SMITH. Also, in public affairs, the breakdown.
Mr. FLICKINGER. All right, sir.
[The information follows:]

PUBLIC AFFAIRS

In addition to the Department's Office of Public Affairs, the following chart reflects personnel in other Department organizations that supoprt the Department's public affairs function.

Organization	Authorized positions	Onboard
General Administration	13	[1] 27
Federal Bureau of Investigation	52	[2] 52
Drug Enforcement Administration	14	[3] 18
Bureau of Prisons	2	[4] 2
Immigration and Naturalization Service	15	[5] 15
Office of Justice Programs	4	4
INTERPOL–USNCB	1	1
U.S. Marshals	3	[6] 3
Total	104	122

[1] The on board count for General Administration reflects the Department's Office of Public Affairs.
[2] The on board count for the Federal Bureau of Investigation represents the level authorized.
[3] The Drug Enforcement Administration has 10 permanent employees on board at its headquarters office and 4 permanent employees and 4 other-than-permanent employees on board at its field offices to support the Public Affairs function.
[4] The staff members in the Bureau of Prisons assigned to Public Affairs also support other functions unrelated to public affairs.
[5] The on board count for the Immigration and Naturalization Service includes 4 employees at the headquarters office and 11 in the field.
[6] The U.S. Marshals Service has 3 permanent employees on board, of which one handles external public affairs matters and two handle internal public affairs.

IMMIGRATION REFORM

Mr. SMITH. Now, on Administrative Review and Appeals, 200 positions in the 1987 supplemental were for Immigration Reform, and then you want another 13 in 1988; is that right?
Mr. FLICKINGER. Yes, sir.
Mr. SMITH. Now, when will these 200 be on board?
Mr. FLICKINGER. They are in the process of hiring those people as quickly as possible. It reflects just the expanded deportation proceedings that would flow from the immigration reform.
Mr. SMITH. How fast can you hire people like that?
Mr. FLICKINGER. Well, as fast as the system permits. We do have the problem of security clearances. There is a delay in that. Our estimate is we can have 42 of these on board, I would say, by the end of the current year. I think that's what we're asking for.
Mr. SMITH. So the 200 in the supplemental, then will not all be on board in 1987?
Mr. FLICKINGER. That's correct. I think the request for the supplemental is 42 FTE.
Mr. ROPER. Yes, sir.
Mr. FLICKINGER. With the balance in 1988.
Mr. ROPER. The intent, sir, is to have the 200 people on duty by the end of the fiscal year, but we would only consume about 42 workyears.
Mr. SMITH. Do you think you will have them on the job, though, by the end of the fiscal year?

Mr. FLICKINGER. Yes, sir.

Mr. ROPER. We have proposed to the Office of Management and Budget a deficiency apportionment for that piece of the General Administration appropriation so that we can advance-fund in anticipation of the Immigration Reform supplemental so that they can begin hiring.

Mr. SMITH. Are you already getting applications? Where are you in the process? You haven't even started yet, have you?

Mr. FLICKINGER. Well, they have, I am certain, started the recruitment effort. This was anticipated for some time. I am sure they don't have many bodies on board yet, but they are actively recruiting.

Mr. SMITH. Now, you started this budgetary process many, many months ago before the Immigration Reform bill passed.

Mr. FLICKINGER. Yes, sir.

Mr. SMITH. And before some of these additional needs were known or you were given legislative responsibility. How did you know when you started that this was the number needed, or have you adjusted your numbers?

Mr. FLICKINGER. Well, we are basically extrapolating from what we recognize as the workload that is out there. It's a question of looking at the ongoing activity in case of deportation activity.

Mr. SMITH. Well, after immigration passed, for example, did you change your proposal for 1988 as to numbers and dollars? It was already in the mill, was it not?

Mr. ROPER. Sir, if I can answer, in essence, the Department had two major budgets submitted within the executive branch this year. We had a normal budget request that went to the Office of Management and Budget on September 2. That was before all of the activity of the month of October, when the 99th Congress passed significant pieces of legislation. On December 2, the Attorney General submitted what amounted to a second budget request to the Office of Management and Budget. In that request were the resources for implementation of Immigration Reform, the U.S. Trustees Program, and a number of other initiatives that were passed by the 99th Congress, mainly in September and October, well after the initial budget request.

Mr. SMITH. So this is an updated version of what you originally started with?

Mr. ROPER. Yes, sir. And in the immigration case, we had gone through in the Department and across many organizations several iterations of developing estimates as the various bills had moved through both the Senate and House, and once the final bill was passed, I believe in October, there was an update to that and that update generated the overall Department request to OMB for Immigration Reform implementation. That was done again on December 2.

Mr. SMITH. And this is based upon the assumption that all the bodies that you requested in the supplemental will be on board before the first of October?

Mr. FLICKINGER. Yes, sir. We expect to have, of those deportation——

Mr. SMITH. Did you expect that to happen now?

Mr. FLICKINGER. That should happen, yes, sir.

[The questions for the record and the answers submitted thereto follow:]

QUESTION FROM MR. NEAL SMITH

GENERAL ADMINISTRATION

Department Leadership

Question:

You request an increase of four permanent positions and $741,000 for Departmental Leadership in 1988. This program has remained relatively stable for the last several years, why are you now requesting program increases?

Answer:

Congress has enacted many new statutory responsibilities for the Department's leadership to execute on behalf of the American people, such as, the Organized Crime Drug Enforcement initiative, the Comprehensive Crime Control Act of 1984, the Anti-Drug Abuse Act of 1986, and the Immigration Reform and Control Act of 1986.

However, despite the increase in Department leadership responsibilities, the staffing of the Department Leadership program has been reduced approximately 30 percent compared to its staffing during the previous Administration. Given the growth previously described, an increase in attorney personnel has been requested for the Department leadership program so that it can provide adequate policy and program guidance, oversight and control to the organizations which implement more than 150 Department of Justice programs.

Question:

Why can't the Department shift personnel out of lower priority organizations in order to focus on policymaking in higher priority organizations? Why is it necessary to add to the bureaucracy at Justice?

Answer:

In previous years, the Department funded additional personnel and priority initiatives through productivity savings resulting from automation as well as induced savings resulting from funding restrictions placed on lower priority programs. However, due to current budget constraints, all resources are necessary to maintain full operation of essential functions.

Question:

You request four additional workyears for those four additional positions. Why are you not assuming the standard 50 percent lapse rate for new positions?

Answer:

A lapse rate was not included since these positions are so urgently needed. If this request is approved, the Department could fill the positions in October 1987.

Executive Support

Question:

You request an increase of 21 positions and $1,900,000 in 1988 for Executive Support. The positions and $1,200,000 of the increase are for public affairs and legislative affairs. Why do you believe you require an increase of almost 65 percent over current levels for these programs?

Answer:

The authorized staffing level for the Office of Public Affairs is 13 positions, and the staffing level for the Office of Legislative Affairs is 20 positions. However, both of these staffs have required additional personnel due to the direct relationship between workload increases in the Department (i.e., War on Drugs, Immigration Reform, etc.) and the demands placed on these programs. In accordance with this increase in workload, the current staffing level of the Office of Public Affairs is 27 and the current staff level in the Office of Legislative Affairs is 29. The workload of these programs will require that current staff levels be maintained in 1988. Therefore, the request for additional positions in 1988 for these programs does not represent an increase to the existing staff, but rather an increase in positions to support the current staff of these programs.

Question:

What would be the impact if these personnel increases are denied?

Answer:

During the past years, the Office of Public Affairs, and the Office of Legislative Affairs have experienced deficits which have required reprogramming of resources from other organizations of the General Administration appropriation. The Administration has recognized this structural deficit within the appropriation. Resources have been provided from the deferral of automation projects and the implementation of cost restrictions in other organizations. Due to the current and future resource requirements, these resources may not be available, as they were during past years. Additionally, a reduction of on-board personnel in these programs does not seem feasible due to the scope and volume of their workload. This workload is not entirely controllable, in a budget sense, since it is fed by media interest and new legislation in which the Department plays a major role.

Question:

Why did you also request full workyears for these positions and not consider the standard 50 percent lapse rate?

Answer:

Because this request represents resources for current on-board staffing levels of these programs, a 50 percent lapse rate should not be considered.

Justice Management Division

Question:

You request an increase of 25 positions and $3,942,000 in 1988 for the Justice Management Division. Seven positions and $500,000 are requested for drug enforcement. How many positions were provided for this purpose in 1987 and why do you need an additional increase in 1988?

Answer:

The 1988 request includes seven positions and $500,000 to support the Task Force Administrative Unit of the Organized Crime Drug Enforcement program. This Unit provides central coordination, policy guidance and administrative support to the thirteen regional Drug Task Forces. The Unit performs as the support and monitoring body between the individual Task Force coordinating groups and the Office of the Deputy Attorney General. The Unit tracks and monitors Task Force cases, performs program analysis and evaluation, prepares testimony and information for the Attorney General, the Associate Attorney General, the Congress, the media, and others concerning Task Force issues, performs legal research for Task Force support, and provides oversight on Drug Enforcement Administration manages the State and local Law Enforcement Overtime fund administered by the Drug Enforcement Administration.

The Administrative Unit originally was created to monitor and coordinate the 13 regional Task Forces but no new budget authority was provided. In 1983 and 1984, the costs incurred by the Administrative Unit were absorbed by the Prosecution activity of the prior Organized Crime Drug Enforcement Appropriation. No direct resources have been provided to the General Administration appropriation for this Unit. The Unit's personnel salary costs are paid by the U.S. Attorney's field Organized Crime Drug Enforcement Program. Thus, the U.S. Attorney's are having to draw down from its field prosecutive program to support this initiative.

Question:

Why do you require 12 additional personnel management positions?

Answer:

The 1988 resource request includes an increase of 12 positions and $700,000 to support the Office of Attorney Personnel Management (OAPM). The Deputy and Associate Attorneys General have authority over all aspects of attorney personnel management. They have delegated this responsibility to the Director of OAPM for all attorneys GS-15 and below, Assistant U.S. Attorneys, Assistant U.S. Trustees, and law students. The OAPM has substantive responsibility in the areas of recruitment, hiring, background investigations, performance appraisals, proposed actions for promotions, discipline and terminations, and maintenance of official personnel files, for almost all Department attorneys and law students. In addition, OAPM is responsible for the Attorney General's Honor Program for graduating law students and Judicial Law Clerks.

The OAPM was established in the Department in 1978 and funded with existing available resources. OAPM has contributed to funding shortages due to the original absorption of funds at the time the office was established, and the increasing demands on this office which have warranted its increase in size over the past years. In addition, it is difficult to absorb the costs of unfunded programs due to current budget constraints. Therefore, the Department is requesting a program increase to fully fund the OAPM.

Question:

On page 11 of your justification, you show no growth in personnel management positions in 1988. Please explain the difference between your statement and this table.

Answer:

The requested increase for OAPM does not include any additional personnel management positions, but four attorneys and eight general administrative positions. Because funding is requested for the current staff of OAPM, the request reflects these types of positions.

Question:

You request an additional six positions and $2,742,000 to achieve management and productivity improvements. Please describe these improvements and what you will purchase with these funds.

Answer:

The 1988 request for the Justice Management Division (JMD) includes program increases of six positions and $300,000 to support the Classified Information Procedures Act (CIPA), $1,629,000 for the implementation of a uniform office automation system in JMD, and $813,000 for maintenance and upgrading of fixed-plant equipment within the Main Justice Building.

The six positions and $300,000 are requested to provide for resources necessary to comply with regulations and procedures set forth in CIPA (P.L. 96-456, 94 Stat. 2025). In the past because no directly appropriated funds have been provided to implement our role in CIPA cases, JMD has had to absorb the necessary resources required to fund this program.

Resources of $1,629,000 have been requested for a uniform office automation system. This initiative is designed to achieve Divisionwide management efficiency and productivity gains through a more coordinated and unified approach in the area of office automation and access to common data bases. The resources will be used to complete site preparation and acquire/distribute initial system components.

Resources of $813,000 are requested to fund three major projects to upgrade the Main Justice Building. Specifically, $298,000 is necessary to upgrade the air handler unit that provides heating, ventilation, and air conditioning to the building; $330,000 is necessary to upgrade the elevators; and $185,000 is necessary to improve ventilation of the elevator penthouses. The latter are areas at the top of the elevator S/B shafts where electrical motors and mechanical equipment are located.

Question:

Again why do you not assume standard 50 percent lapse rates in estimating the 26 workyear increase associated with the growth of 25 positions?

Answer:

Unless other factors intervened, the Department lapsed new positions in the budget year at 25 percent--not 50 percent. The request for six positions for CIPA has been lapsed by 33 percent. The requests for seven positions and 12 positions for the Task Force Administrative Unit and the OAPM, respectively, have not been lapsed due to the fact that the staff for these programs are currently on-board. Additionally, three other-than-permanent workyears are included for the OAPM. As noted earlier, the Administration's 1988 budget request for the General Administration appropriation attempts to correct the structural deficit problem built into certain General Administration programs.

Administrative Review and Appeals

Question:

You requested an increase of 200 positions in the 1987 supplemental for Immigration Reform. Why are you requesting an additional 13 positions in 1988?

Answer:

Of the 13 positions requested in the 1988 President's Budget, 12 will be used to address the increased backlog at the Executive Office for Immigration Review's (EOIR) Board of Immigration Appeals. The remaining position is to support ANSIR, EOIR's automated information system. These 13 positions are justified based on EOIR's existing and projected normal workload excluding any work EOIR may receive as a result of the immigration reform legislation. The 200 immigration reform positions are requested solely to meet the estimated workload generated by the immigration reform legislation and do not include resources for the Board of Immigration Appeals or staffing for ANSIR. Therefore, EOIR's need for additional staffing for the Board and ANSIR still exists.

Question:

What would be the impact if these additional positions are denied?

Answer:

Without the additional positions, EOIR's Board of Immigration Appeals backlog would reach an estimated 8,055 cases by the end of 1988, an increase of 64 percent over 1986. This increase in backlog does not take into consideration additional work the Board will have as a result of the Immigration Reform legislation. Absent the requested position increase, the Board will begin 1988 critically understaffed and in a much more difficult position to begin to address the further workload increases it will receive as a result of immigration reform. Additionally, without the requested position for ANSIR, EOIR's implementation of this vital function will have to be delayed. The implementation of ANSIR is a critical component of EOIR's program response to the Immigration Reform and Control Act, providing the case management and tracking capabilities required to coordinate hearings of convicted aliens in Federal and State prisons beginning in 1987 and to prepare for anticipated workload increases in 1988. Currently, EOIR has only two positions assigned to this task. Without additional help in this area, implementation cannot be completed as quickly as needed.

Financial Management Systems

Question:

The Department acknowledges that its accounting systems are inadequate. You developed a plan in September 1985 to guide financial management improvement efforts. What systems improvement/development priorities has the Department developed through the planning process?

Answer:

In our annual certification required by Section 4 of the Federal Managers' Financial Integrity Act (FMFIA), we reported that our

accounting systems, taken as a whole, are in conformance with the Comptroller General's principles, standards, and related requirements. This change is due to system improvements and application of the latest Office of Management and Budget criteria for reporting nonconformance.

In the Department's annual submission of its Financial Management Systems (FMS) Plan required under OMB Circular A-127, and in a separate submission to OMB of the Department's 1987 FMS Operating Plan, we identified our improvement/development priorities. Copies of those documents have been provided to the Committee.

Question:

Do the systems upgrades in the 1988 budget request correspond with the priorities identified through the planning process?

Answer:

The Department has requested no enhancements for its financial management system in the 1988 budget request.

Question:

In the course of implementing the Department's financial plan, can you point to instances in which costs have been avoided or efficiencies achieved through developing or utilizing shared systems?

Answer:

The JMD Financial Management Information System (FMIS), based upon modern data base management system technology, is the DOJ Financial Management System (FMS) pilot system through which sharing and cross-servicing are being effected. In addition to the accomplishments discussed beginning on page 7 of the DOJ FMS Plan, examples of other initiatives in developing or utilizing shared systems resources include:

INS Accounting using the DOJ FMS.
INS Automated Personnel/Payroll using the DOJ FMS.
Expansion of BOP PC-based Automated Time and Attendance Reporting for Departmental use.
Departmental Federal Procurement Data System used by all DOJ components.
OJP Travel Processed and supported by the DOJ FMS.

Question:

What is the revised timetable for having an accounting system in complete compliance with the Comptroller General's standards?

Answer:

As stated above, our accounting systems, taken as a whole, are in conformance with the Comptroller General's Standards. In our FMFIA certification, the only material nonconformance was the lack of recording of the Department's legal process debts to the general ledger. In order to remedy this, complete accounting requirements were issued to organizations maintaining subsidiary accounts. Most of the reporting offices have implemented these requirements. However, until all unliquidated claims are reported and all aging reports are received, full general ledger control will not be accomplished. Reporting elements should complete these last phases during the present fiscal year.

Working Capital Fund

Question:

You also request an additional $4,000,000 for the Working Capital Fund in order to relocate the Washington, D.C. Data Center and consolidate communications networks. Please explain why you need to relocate the Data Center and what the total relocation cost will be, broken out by type of expense, by fiscal year?

Answer:

The Computer Technology and Telecommunications Staff (CTTS), provides various telecommunications, computer, and computer-related services to elements of the Department, as well as to other Government agencies on a 24 hour-a-day, 7 day-a-week basis. The CTTS (which operates exclusively from a working capital fund and charges for all services provided) operates two data processing centers, one in Washington, D.C., and the other in Dallas, Texas to support the information processing and telecommunications requirements for the Offices, Boards, Divisions and Bureaus of the Department (except the FBI) in support of their critical law enforcement and litigation missions.

In Washington, D.C., CTTS has experienced a dramatic increase in workload, which has necessitated the acquisition and installation of several additional large computer systems. In addition, the Department has completed a procurement which will result in a 750 percent increase in the number of disk storage devices by January 1991. This disk acquisition is essential to satisfying the expanding user processing requirements. As a result of the increasing user workload requirements, the Department of Justice is faced with the need to increase the size and capability of its Justice Data Center-Washington (JDC-W), computer facility significantly.

Of primary concern is the limited timeframe before the current facility will not have the capability to meet the expanding needs of the user community. If the data center relocation is not completed before February 1988, the current facility will not be able to house

the additional equipment needed to process the expanding user requirements.

In light of the multiple problems, addressed by an architectural and engineering study, that beset the existing JDC-W including insufficient computer room space, severe air-conditioning and electrical problems, and the disadvantageous architectural design of the Chester Arthur Building (CAB), the Department has determined that the JDC-W should be relocated to a larger and more modern facility. A new Data Center could provide the expanded floor space and enhanced environmental systems reliability (including process-type air-conditioning units, upgraded electrical capacity and an uniterruptable power supply should normal electrical service be disrupted), which are critical to the Department's central data processing capability.

In May 1986, the Department submitted a formal request to the General Services Administration (GSA), requesting that they find a replacement site for the JDC-W. In September 1986, we were informed that the Control Data Corporation's (CDC) data center in Rockville, Maryland was available for a leasing period of up to 18 years. The Department and GSA toured the site and concurred that it was a larger, high-quality data center which offered significant improvements over the existing JDC-W site. Since the CDC facility met the Department's basic requirements, we requested GSA to initiate the required actions to lease the facility.

If the CDC facility is leased for the Department, we estimate that 1987 operating expenses to perform the actual move will cost approximately $2,000,000. Additionally, we have estimated that site enhancements needed to improve and upgrade the environmental reliability of the CDC site will cost approximately $3,000,000 in 1988 out of the capital expenses budget of the Working Capital Fund.

Additional background information supporting the Department's decision to relocate the data center to a new site has been provided to the Committee.

Question:

What benefits are to be gained by consolidating the Department's communications networks into a single network? What will be the total cost of this consolidation by fiscal year and type of expenses?

Answer:

The benefits of consolidation are as follows:

- Eliminate the unnecessary redundancies and overlap of independent networks and achieve Department-wide management efficiencies and productivity gains in telecommunications systems and operation;
- Accommodate future growth through modular architecture;
- Minimize the impact of tariff increases;
- Provide consolidated communications for Departmental sensitive but unclassified data traffic;

- Strengthen the Attorney General's Command and Control capabilities in carrying out his mission responsibilities;
- Utilize standard communications protocols rather than proprietary solutions.

	FY 1988	FY 1989	FY 1990
Start-up	6,140,000[1]	...	...
Operation	3,085,000[2]	9,255,000[3]	10,608,000[4]
Total	9,225,000	9,255,000	10,608,000

Question:

Why was the Working Capital Fund not able to absorb this cost?

Answer:

The Working Capital Fund is a revolving fund which operates on the basis of costs. The Fund is authorized to be reimbursed for supplies, materials and services at rates which will recover the expenses of operations including accrual of annual leave and depreciation of plant and equipment of the Fund. Any net income in excess of operating expenses must be returned to the Treasury unless the Congress enacts legislation allowing the Fund to retain earnings.

The requested funding for the data center relocation and the consolidation of communications networks represents a capital expense, i.e., for the purchase of capitalized equipment rather than consumable supplies and materials. As such, the planned capital purchases associated with the relocation and network consolidation must be made from available depreciation reserves or from appropriations expressly provided for capital purchases.

Because the Fund's depreciation reserves are limited and provide only for the replacement of equipment inventories on hand, capital is not available to fund the requested initiative and thus the Administration has sought a capital appropriation for the Working Capital Fund in 1988.

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[1]Includes costs for items such as site preparation, installation, etc.

[2]The Justice Telecommunications Network (JTN) cost was estimated to be 67.05% of the current systems costs (JUST, JURIS, INS/MIRAC, SENTRY). This percentage was obtained from a comparison chart, comparing existing systems costs with JTN, which was forwarded to OMB in November 1984. The percentage was applied to the 1988 costs (INS base + Enhancements + Immigration Reform Act (IRA)) supplied in November 1986. Assumes four months of operation in 1988.

[3]Assumes a full year of operation.

[4]Assumes 15% cost increase over 1989.

The attached materials provide further information on Mr. Smith's questions on the Department's Financial Management System and the Working Capitol Fund's proposed relocation of the data center.

Review of Internal Control Systems for Fiscal Year ending September 30, 1986. This letter from the Attorney General to the President reports the results of his review and provides assurance that the internal control systems were in accordance with the requirements established by the Federal Managers Financial Integrity Act (Integrity Act). This review was performed in accordance with the guidelines issued by the Director of the Office of Management and Budget (OMB), in consultation with the Comptroller General, as required by the Integrity Act. The Department reported on new and continuing material weaknesses.

Enclosure A provides information on how the review was conducted, the Department's accomplishments in improving the internal control process, and how the Department is incorporating internal control into its overall management activities.

Enclosure B contains a more detailed explanation of each of these material weaknesses along with the proposed corrective actions.

Enclosure C provides additional information regarding the accounting system review and the results.

Enclosure D provides a statistical summary of the status of the Department's internal control systems.

Enclosure E is the latest semiannual report on the audit followup process for conformance with OMB Circular A-50.

Operating Plans for Financial Management System Improvements (March 1 - September 30, 1987).
The paper provides a consolidated listing of the Department's management system improvements and gives the benefits that will be obtained from them. Each improvement gives a brief description and provides a timetable of the major events that will occur during the project.

1986 Financial Management System Plan (FMS). The FMS Directive prescribed the policy for establishing and managing a single integrated financial management system which implements the objectives of OMB Circular A-127 and the other circulars and bulletins governing management of Federal information resources. The FMS program is designed to minimize duplication and maximize utilization of systems development resources.

Working Capital Fund Relocation. The material described below provides additional information supporting the Department's decision to relocate the data center.

1. Letter from the Department to GSA, requesting the Control Data Corporation (CDC) site.
2. Graph reflecting February 1988 JDC-W space saturation.
3. Chart showing data center space requirements by 1991.
4. Facility problems rendering CAB expansion unrealistic.
5. Estimate of 1987 operating expenses during the JDC-W move.
6. Estimate for 1988 capital expenses to upgrade the CDC site.
7. Justification for CDC site enhancements.

Office of the Attorney General
Washington, D. C. 20530

31 December 1986

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

The Department of Justice (DOJ) has completed a review of its internal control systems in accordance with the requirements of the Federal Managers Financial Integrity Act (Integrity Act). This letter reports the results of this review and provides the appropriate assurance and certification statements required by the Integrity Act.

Our review of the system of internal accounting and administrative control was conducted for the fiscal year ending September 30, 1986. It was performed in accordance with the guidelines issued by the Director of the Office of Management and Budget (OMB), in consultation with the Comptroller General, as required by the Integrity Act. The review included an analysis of whether the system of internal accounting and administrative control within DOJ was in compliance with the principles and standards prescribed by the Comptroller General. Enclosure A provides information on how the review was conducted, the Department's accomplishments in improving the internal control process, and how the Department is incorporating internal control into its overall management activities.

The objectives of the system of internal accounting and administrative control within DOJ are to provide reasonable assurance that:

-- Obligations and costs are in compliance with applicable law;

-- Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and

-- Revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets.

The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits expected to be derived from internal control and that the benefits reduce the risks of failing to achieve the stated objectives. Estimates and judgments are required to assess the expected benefits and related costs of the control procedures. Furthermore, errors or irregularities may occur and not be detected because of inherent limitations in any system of internal accounting and administrative control, including those limitations resulting from resource constraints, congressional restrictions and other factors. Finally, projection of any evaluation of the system to future periods is subject to the risk that procedures may be inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

The results of the review described in the second paragraph, in addition to the assurances and supplemental information given by the appropriate DOJ officials, indicate that the system of internal accounting and administrative control for the Department in effect during the fiscal year which ended September 30, 1986, taken as a whole, complies with the requirement to provide reasonable assurance that the above-mentioned objectives were achieved within the limits described in the preceding paragraph, except for weaknesses in the asset seizure and forfeiture program, funds control in the Executive Office for United States Trustees (EOUST), certain risks to program delivery because of acute demands placed on the United States Marshals Service (USMS), and previously reported, but not yet fully resolved, weaknesses in the areas of inmate overcrowding in the Federal Prison System, the Department's financial management system, and the accounting for legal process debts.

The Department reports the following new and continuing material weaknesses.

AREA OF MATERIAL WEAKNESS	DESCRIPTION
Asset Seizure and Forfeiture (New)	Management and internal control improvements are required in the areas of processing forfeiture actions, record keeping and the maintenance and disposal of seized property in the non-drug seized assets portion of the program. For example, the Drug Enforcement Administration's ability to process seizure actions has not been commensurate with its seizure activity, resulting in a backlog in recording and disposing of the assets. Some

	of the consequences of the delays are additional storage costs, erosion of asset values, and deprivation of sharing revenue with state and local agencies. Also, improvements are necessary in the management of seized cash. Corrective actions are now being taken and a substantial portion of the weakness will be resolved by the end of FY 1987.
Funds control in the Executive Office for United States Trustees (New)	The Department's requirements for funds control were not fully implemented or consistently applied which resulted in several funding control issues for EOUST in FY 1985 and FY 1986. Several practices which contributed to the funds control problem have been corrected while others remain to be corrected.
Acute demands placed on the United States Marshals Service attributable to the Comprehensive Crime Control Act of 1984 (New)	Increased levels of activity generated by the Comprehensive Crime Control Act of 1984 have put considerable workload pressure on the USMS, especially in the areas of the protection of the Judiciary and Federal property, the handling of Federal detainees, and witness security. There is a potential that, if unattended, the workload could impair the fulfillment of significant portions of the USMS' mission.
Overcrowding in the Federal Prison System is unacceptably high. (Previously Reported)	Overcrowding in the Federal Prison System is 49% over rated capacity as of November 1986. The Department's objective is to provide

. . .	adequate prison capacity which keeps pace with the ever increasing Federal inmate population and significantly reduces the current overcrowding level. Additional capacity will be obtained through the expansion of existing facilities, the acquisition and conversion of existing properties to minimum security correctional facilities, and the construction of new Federal Correctional Institutions. Implementation of our plan will provide more manageable overcrowding levels.
Financial Management (Previously Reported)	The Department's accounting systems, while in conformance with General Accounting Office principles and standards, are experiencing a series of programmatic problems which require attention. I have directed the implementation of a fully operational, integrated financial management system. Such a system will assist us in addressing these problems.
Legal Process Debt Collection (Previously Reported)	Legal process debts are not fully controlled through the accounting system. The Departmentwide system reflecting legal process debt management for DOJ and legal process debts referred to the Department for litigation by other agencies has not been fully implemented. Our goal is to account for all debts both unliquidated and in collection status. By the end of FY 1997, we expect to have a complete reporting and debt aging system for all legal process debts.

A more detailed explanation of each of these material weaknesses, along with the proposed corrective actions can be found in Enclosure B to this report. I am especially interested in resolving the problem of prison overcrowding as soon as possible. My goal is to reduce prison overcrowding from the current 49% over the rated capacity to a more manageable level of 20% of the rated capacity by FY 1993. A failure to implement an orderly expansion program could have a significant adverse impact on the Federal criminal justice system and will impede law enforcement. Furthermore, severe overcrowding threatens the life and safety of prison staff, the inmate population, and the public at large.

In addition to the material weaknesses, I wish to identify several other areas which are of significant concern to the Department. Among these areas are the handling and storage of seized drugs, the security of automated data processing systems, and the effect of certain provisions of the Federal Employees Retirement System Act of 1986 on the Career Development Program for law enforcement agents such as the special agents within the Federal Bureau of Investigation. The impact of the new retirement system is critical because it may have serious consequences on management as well as agent morale. We will seek a solution to this problem. My concerns are more fully explained in Enclosure B to this report.

A review of the Department's accounting system was conducted pursuant to Section 4 of the Integrity Act and the guidance published by OMB. The results of this review indicated that the Department's accounting systems comply with the Comptroller General's principles and standards except for a continuing material nonconformance in the accounting for legal process debts. Enclosure C provides additional information regarding the accounting system review and the results.

The Director and Deputy Director, OMB, requested that we emphasize specific areas in this year's review. In response, the Department highlighted the protection of confidential information from unauthorized disclosure in its internal control guidance to its organizations. The organizations provided assurance that there were no material weaknesses related specifically to this subject. The Department's performance under the Prompt Pay Act was reviewed and no significant problems were noted. Also, the Department reviewed its audit followup process for conformance with OMB Circular A-50. Enclosure E is the latest semiannual report provided me on that subject. Please note that the report indicates that there are no unresolved audit reports more than six months old. Finally, we are providing a statistical summary of the status of the Department's internal control systems in Enclosure D.

During the course of the next year, the Department will continue its efforts to improve the implementation of its internal control systems to meet the requirements of the Integrity Act and OMB's guidelines. I expect that additional benefits will result from these efforts, thus increasing the efficiency and effectiveness with which we carry out the mission of the Department.

Respectfully,

Edwin Meese III

EDWIN MEESE III
Attorney General

Enclosures

Enclosure A

DEPARTMENT OF JUSTICE
1986 FEDERAL MANAGERS FINANCIAL INTEGRITY ACT REPORT
EVALUATION OF INTERNAL CONTROL SYSTEMS

During FY 1986, the Department focused its efforts on streamlining the internal control process, integrating the process into the Department's other management processes and implementing the revised requirements of the Office of Management and Budget (OMB) Circular A-123. In particular, the Department's organizations were encouraged to use alternative sources of information in conducting risk assessments and internal control reviews. The Department encouraged the use of information resulting from audits, management reviews, evaluations, and inspection reports in determining areas of internal control weakness and corrective action necessary to resolve weaknesses. Our emphasis was to reduce the workload associated with implementing the process but ensure that the integrity of the process was maintained.

Responsibility. The Attorney General delegated the authority to provide the direction, oversight and monitoring of the Department's internal control process to the Assistant Attorney General for Administration. The day-to-day activities associated with this delegation are carried out by the Operations Support Staff within the Office of the Comptroller, Justice Management Division.

Segmentation. The Department's organizations were encouraged to use their budget decision unit structure as the basis for segmenting their activities. In April 1986, the Attorney General communicated to the heads of all the Department's organizations that he is determined to link the internal control process with the Department's budget and resource expenditure process where it is appropriate. Alternative segmentation strategies were permitted where they would provide better coverage of an organization's functions and activities, including the field activities of the organization.

Inventory of Assessable Units. The Department's 32 organizations identified 414 assessable units in FY 1986. This is a reduction of 35 assessable units from the 449 units reported during the FY 1985 cycle and a reduction of 113 assessable units since the inception of the process in FY 1983. Much of the streamlining is due to the linkage between the assessable unit structure and the budget decision unit structure.

Risk Assessments. The Department's components were given two options for conducting risk assessments: (1) conduct assessments of all assessable units this year and conduct internal control reviews where required during 1987, or (2) conduct risk assessments

and, where appropriate, internal control reviews of at least 50% of the assessable units during 1986 and the remaining 50% during 1987. The organizations were requested to target areas of high risk during the assessment cycle consistent with the evaluation methodology articulated by OMB. This approach allowed the components to select the review method which best suited their needs and facilitated the linkage of the internal control process to other management processes such as budget review, audit, and inspection.

The Department's components conducted 270 risk assessments this year. Approximately 65% of all the Department's assessable units were reviewed.

Monitoring and Oversight. The Department has a quality assurance program to ensure the proper implementation and improvement of the internal control process. Ultimately, this activity verifies for the Attorney General that he can provide "reasonable assurance" that the Department has complied with the Integrity Act and OMB's directives in the year-end internal control report to the President and the Congress.

The Department has a two-tiered assurance process. The head of each organization has a monitoring and review responsibility within his or her organization and the Assistant Attorney General for Administration has a Departmentwide monitoring and review responsibility. Together these monitoring activities provide effective oversight and ensure the prudent implementation of internal control.

Each organization conducts a limited compliance review of its internal control process prior to submitting its year-end report to the Attorney General. Also, detailed quality assurance reviews were conducted by several organizations. For example, the Drug Enforcement Administration selected eight of its assessable units for separate quality assurance reviews. This was in addition to two levels of supervisory review and concurrence by senior officials on each risk assessment.

At the departmental level, four quality assurance reviews initiated in FY 1985 were completed in FY 1986, i.e., reviews were conducted of the Drug Enforcement Administration, the Immigration and Naturalization Service, the Antitrust Division, and the Executive Office for United States Attorneys. In addition, an internal control oversight review was conducted of the Executive Office for United States Trustees to ensure that effective internal controls were in place especially in view of the new expansion of the Trustee System. In addition, all the components' internal control submissions provided to the Department were reviewed for consistency with Department guidelines and the internal control directives issued by senior policy officials.

Field Involvement. All organizations with field offices were required to review the activities of these offices in their internal control assessments. Each organization used the approach best suited for reviewing their field activities consistent with Department guidelines.

Planning and Tracking Systems. The Attorney General's policy goals for 1987 identified Government financial integrity and the prevention of fraud, waste, mismanagement, and misappropriation as one of the Department's major goals. The internal control process is a major initiative designed to achieve this goal. As referenced above, this year the internal control process was also linked to the Department's resource setting process. An automated internal control tracking system is also available. The system is being modified to increase its utility and make it available for use by the Department's components. The Bureau of Prisons and the Drug Enforcement Administration were the first organizations to adopt portions of the the Department's tracking system. The use of a common tracking system is intended to reduce the cost of the process.

Special Reviews. The Department reviewed several areas emphasized by OMB. The following paragraphs briefly describe the results of these reviews:

- Legal Process Debt Collection. Although significant progress has been made in legal process debt collection, several corrective actions remain. The Executive Office for United States Attorneys and the Legal Divisions have decreased the processing time of debts and judgments, and increased pressure on debtors to make timely payments. Accounting for legal process debts has been improved but is not completed. Once the accounting system and automated reporting are completely linked, the Department should be able to identify readily the number and value of its outstanding debts, the amounts collected, and the potential collectibility of these debts. We expect to complete this task in 1987.

  Several actions have occurred this year which will have an effect on debt collection. Legislation was passed which allows the appointment of civilian counsel to litigate and collect debts. Procedures to implement the law are currently under preparation. It is difficult to anticipate the impact this law will have on the debt collection process. We do not know if the net return to the Treasury on debts placed with civil counsel will be cost-effective. In addition, it will be necessary to centralize departmental activities to effectively monitor contract performance by the civilian counsels.

The Internal Revenue Service (IRS) tax return offset program was initiated this year. The Department provided IRS with data on criminal debtors. It is too early to know the full extent of the results of this program.

We reviewed the administrative costs associated with the collection of debts and the report included a proposal to pass certain administrative costs on to the debtor. The additional fees charged would be deposited in the Treasury and are intended to defray the costs to the American taxpayer for collecting delinquent debts.

In March 1984, the Department instituted a direct deposit (lock box) system whereby all cash collected by our collection offices is sent to a bank and immediately deposited to the credit of the Treasury. Over a 30-month period, $663 million have been deposited through this system resulting in a savings of approximately $3 million in imputed interest to the Treasury.

- Automated Data Processing (ADP) Security. Our efforts in this area have focused on two aspects of the security of our common user facilities, i.e., security of information and physical security of the data centers. Significant steps were taken in both areas to identify problems and develop strategies to address those problems. A more detailed discussion of the results of our efforts in the ADP Security area can be found in Enclosure B.

- Payment Systems. A discussion of the Department's reviews of its payment system can be found in Enclosure C.

Accomplishments. The Department has made considerable progress in merging the internal control process into its basic program, planning, and management activities. Some of the highlights of the efforts are described below:

- The Department's Management and Productivity Improvement Program identified the prevention of waste, fraud, mismanagement, and misappropriation in several of its objectives. The internal control process assists in meeting these objectives. It is designed to provide program managers with an increased capability to anticipate problems and fix weaknesses prior to their developing serious difficulties.

- The internal control process has been linked to the budget setting processes within the Department. Savings realized or expected to be realized from management initiatives, including internal control improvements,

are to be defined in the Spring Planning Call. The internal control process has also been linked to OMB Circular A-127, Financial Management Systems. The Attorney General issued an order on April 21, 1986 supporting the establishment of a single integrated financial management system within the Department. Guidance was issued to all organizations for implementing the OMB Circular A-127 and the Attorney General's order.

- The Procurement Executive completed a procurement management review of each of the bureaus' procurement functions. The findings and recommendations contained in these reports provide a basis for future procurement directives and compliance reviews. In addition, a new order was issued establishing criteria for evaluating and certifying the Department's procurement systems. A recently issued Department of Justice (DOJ) order on Advance Procurement Planning will also aid in increasing competitive procurements and may assist in reducing spending. These efforts are important control tools for procurement management.

- On April 18, 1986, DOJ Order 1273.1D was revised to assign responsibility and establish minimum requirements for personnel planning and evaluation within the Department. This order is an integral step in applying the internal control process within the personnel area.

- Audit reports issued during FY 1987 by the Department's Audit Staff will include a statement on the adequacy of internal controls within the scope of each audit. In addition, the Bureau of Prisons examined its existing management audit system to determine the most efficient and effective method of integrating the internal control process into the system.

- A revised Departmentwide directive on controlling funds under apportionment was published on April 9, 1986. This is the primary control directive for the Department's funds control process.

Enclosure B

DEPARTMENT OF JUSTICE
1986 FEDERAL MANAGERS FINANCIAL INTEGRITY ACT REPORT
AREAS OF MATERIAL WEAKNESS AND SIGNIFICANT CONCERN

MATERIAL WEAKNESSES

Material Weakness: The Asset Seizure and Forfeiture Program (Non-Drug Seized Assets) (New)
Category of Weakness: Program Management
Year Reported: 1986

Description of Weakness: Critical aspects of the Asset Seizure and Forfeiture Program have previously been reported as a Departmentwide material weakness. Numerous corrective actions were implemented which substantially resolved the weakness and it was considered corrected in 1985. This year new problems developed which, coupled with the existing lack of a complete accounting system for seized and forfeited assets require that this area again be reported as a material weakness.

The Drug Enforcement Administration (DEA) is now processing an average of 1,000 new seizure actions a month under the enhanced asset seizure and forfeiture authority of the Comprehensive Crime Control Act of 1984. DEA's ability to process these actions has not kept pace with the seizure activity. This has resulted in a significant backlog in the recording and disposing of seized assets. The disproportion of staff to workload prevents DEA from promptly contributing to the Department of Justice (DOJ) Asset Forfeiture Fund. This contribution could have been as much as $21 million through May 1986 had there been sufficient staff resources to process final actions.

The United States Marshals Services (USMS) is handling the real estate, aircraft, and monies seized by DEA and a workable timetable needs to be established for the USMS to process other properties such as automobiles, vessels, weapons, art, and collectibles. The USMS also reports that it is concerned about the extensive manpower resources being consumed by the program. Present indications are that the program will exceed all expectations and will prove to be one of the major benefits from the Comprehensive Crime Control Act. The program will generate approximately $50 million for the United States Treasury by the end of 1986. Approximately $17 million has been shared with state and local jurisdictions. Currently, there are 3,851 properties under seizure with a total value of $327 million. This level of activity at times forces USMS to divert local field office resources from other critical program areas to accommodate the workload. USMS further reports the lack of an effective program to complete regular audits of its seized asset activities.

Although the USMS maintains an automated management system of the seized property, proper accountability for seized and forfeited assets has not been fully established within the Department's accounting system. This is an essential element of the weakness and needs correction.

Corrective Action: DEA recently received some additional resources as part of the new anti-drug initiative to create asset removal teams in key locations around the nation. Once these teams are fully operational the backlogs should become more manageable.

The Justice Management Division (JMD) has initiated several actions to improve its accounting capabilities for seized assets. A departmental order on financial management of seized and forfeited assets is in the clearance process. A steering committee has been established to develop Departmentwide information and accounting requirements for seized and forfeited assets. Also, review of DEA and the Federal Bureau of Investigation (FBI) seized cash practices has been completed and procedures are now being implemented to deposit nonevidentiary and forfeited seized cash in a more timely manner.

The USMS, which operates the National Asset Seizure and Forfeiture (NASAF) program, continues to take corrective actions to improve the management of property subject to administrative forfeiture, upgrade its management information and inventory system and improve coordination with other DOJ agency operations. The first contract to provide for the comprehensive care of seized vehicles was signed on September 30, 1986. Since August 1, 1986, the USMS has held three auctions for vehicles forfeited administratively by the Immigration and Naturalization Service. Progress continues toward implementing similar programs elsewhere along the southwest border.

The Asset Forfeiture Office (AFO) in the Criminal Division is working on several initiatives which will assist in easily understanding the criminal and civil forfeiture laws. The Division is assisting with revisions to the United States Attorneys Manual in these areas. AFO is also working with other Federal organizations to provide information which will assist them to more efficiently store, use, or distribute seized assets.

Material Weakness:	Funds Control in the Executive Office for the United States Trustees (EOUST) (New)
Category of Weakness:	Other - Financial Management
Year Reported:	1986

Description of Weakness: An internal control review conducted by the Department in 1986 revealed problems in funds control within EOUST. The Department's procedures on funds control had not been fully implemented or followed by EOUST. This resulted in funds control problems for FY 1985 and 1986.

Corrective Action: The Director of EOUST has instituted or will shortly institute several corrective actions to resolve the funds control problem. By December 1987, all delegations of authority for funds control will be reviewed and changed as necessary. All EOUST employees will be informed of who is responsible for funds control. An initial 1987 operating plan has been submitted to the Department for approval. Future revisions to the operating plan will be timely and more accurate. Obligation and payment procedures will be reviewed and strengthened for FY 1987. Clear separation of duties and responsibilities will be established and incorporated in the appropriate employees work plans.

The implementation of the above procedures, several other planned adjustments, and adherence to the Department's fund control procedures will resolve this weakness.

Material Weakness:	Acute Demands Placed on the United States Marshals Service Attributable to the Comprehensive Crime Control Act of 1984 (New)
Category of Weakness:	Program Management
Year Reported:	1986

Description of Weakness: The USMS has experienced a considerable increase in activity due to demands placed on many of its programs. The increase is attributable primarily to the implementation of the Comprehensive Crime Control Act of 1984. Current USMS resources are being significantly stretched.

There is a potential that, if unattended, the inordinate workload could impair the fulfillment of USMS' missions. Demands have been particularly acute in following areas:

- Threats against members of Judiciary, United States Attorneys, and other court officers have increased 89% in the last two years. In addition, concern for terrorist acts against Federal judicial facilities, as well as officials and employees in those facilities, has increased.

- Pre-trail detention of defendants by Federal judges has increased substantially. The number of in-custody defendants which the USMS must house in state and local facilities has escalated. Many of the state and local facilities housing Federal detainees are under court order to ease overcrowded conditions and space is not always available to serve USMS' detention needs. This necessitates housing detainees in facilities located long distances from the urban areas where courts are

situated, resulting in substantial amounts of overtime and workload pressure.

- The increased efforts to fight organized crime and the implementation of the Child Custody provisions of the Comprehensive Crime Control Act of 1984 also have increased the demands on the USMS to provide the security needed to protect endangered witnesses.

- The number of extraditions carried out by USMS has doubled in the last 2 years. The USMS has a primary role in the apprehension of fugitives. The major drug enforcement initiatives being carried out by the Department's organizations and other law enforcement agencies have generated an active extradition program. This places additional workload pressure on the USMS.

- The USMS telecommunication capacity needs to be addressed. Due to the increases in activities, USMS must upgrade its telecommunications systems to keep pace with the demand. For certain operations, voice privacy radios are needed in order to assure that communications are not compromised.

- The increase in the debt collection effort by the Department and court ordered service of civil process has increased service of process by 40% over 1985 levels. Three quarters of government civil process is directly related to the debt collection activity. At the present time, USMS collects $3 per piece of private process served when the actual cost for the service to USMS is approximately $18 per piece. The fee schedules are unrealistic and must be revised to offset costs.

Corrective Action: The Department is considering several corrective actions in this area. A number of these corrective actions will require additional resources while others may require legislative changes. As soon as the appropriate actions are taken the acute demands placed on USMS will become more manageable.

Material Weakness:	Inmate Overcrowding in the Federal Prison System (Previously Reported)
Category of Weakness:	Program Management
Year Reported:	1985

Description of Weakness: Overcrowding in the Federal Prison System is unacceptably high. As of November 1986, overcrowding was 49% over the rated capacity.

Corrective Action: We plan to add additional capacity to reach a more manageable 20% overcrowding rate by 1993. This will be done through the expansion of existing facilities, acquisition and conversion of existing properties to minimum security correctional facilities, and construction of new Federal Correctional Institutions. The planned program will begin expanding capacity by FY 1990 contingent on securing the necessary resources.

Failure to implement this expansion program in an orderly fashion can have serious consequences on the the Federal criminal justice system. The overcrowding rate could deteriorate to 90% by FY 1993. This would be an intolerable level. Furthermore, the results of insufficient prison space of this magnitude would seriously impede high priority Federal law enforcement programs. Most important, it could threaten the life and safety of Bureau of Prisons (BOP) staff, Federal inmates, and society at large.

Material Weakness: Financial Management (Previously Reported)
Category of Weakness: Other - Financial Management
Year Reported: 1984

Description of Weakness: The Department's accounting systems, while in conformance with the General Accounting Office (GAO) principles and standards, are experiencing a series of programmatic problems which require attention. At the request of the Office of Management and Budget (OMB), the Department initiated an effort to implement a single integrated financial management system throughout the Department. This system was a major financial management initiative but it was contingent on obtaining necessary resources. These resources were not fully provided by the Congress.

Corrective Action: The Department will continue to address the need for a single, integrated financial management system but this will be done within existing resources. This will significantly delay the implementation of a fully operational integrated financial management system as initially envisioned by OMB and the Department.

Material Weakness: Legal Process Debt Collection (Previously Reported)
Category of Weakness: Loan Management and Debt Collection
Year Reported: 1983

Description of Weakness: Legal process debts are not fully controlled through the accounting system. The Departmentwide system reflecting legal process debt management for DOJ and legal process debts referred for litigation by other agencies has not been fully implemented. Data on these debts are required to be in an accounting system meeting the requirements of Comptroller General's accounting principles and standards.

Corrective Action: During FY 1986, significant improvements were made in the control of legal process debts. The majority of collection offices are now reporting all debts received from referring agencies. Our goal is to be able to account for all debts, both unliquidated and in a collection status. This will permit the Department to reconcile its outstanding debt balances with the referring agencies. By the end of FY 1987, we expect to have a complete reporting and aging system for all legal process debts. Debt collection accounting will then be in conformance with the GAO standards and the debt collection program will no longer be considered a material weakness.

SIGNIFICANT CONCERNS

Significant Concern: ADP Security
Category of Concern: ADP Security

Description of Concern: The security of ADP, which supports a multitude of the Department's activities and programs, was identified as a significant concern in the 1985 Internal Control Report. Protection of these systems from unauthorized access and their physical security are vital to the Department. Actions are being implemented to correct problems which have been previously identified. The Department is following a prudent course of action to secure its sensitive operations as it introduces new technologies into its management process.

The JMD's efforts in this area have focused on two aspects of the security of the common user facilities, i.e., security of information and physical security of the data centers. Several reviews were conducted in 1986 of computer security controls at the Justice Computer Service (JCS) Data Centers. An audit provided recommendations that will enhance the JCS computer system's protection against failures, human error, security breach, and natural catastrophies that could result in improper disclosure, modification, destruction, or denial of services. In addition, a private contractor conducted a computer security analysis of the Justice Data Centers to identify and define ADP application systems, telecommunications and software security procedures and mechanisms necessary to assure the security and integrity of user-defined sensitive information processed at the JCS data centers. The JMD's Policy and Planning Staff has developed an options paper for ensuring effective oversight of ADP security. The Department's Security Staff, in December 1986, will complete a report on the Department's compliance with the provisions of DOJ Order 2640.2A, Automated Information System Security. As soon as the latter item is complete, the appropriate corrective actions will be initiated.

The Justice Data Center - Washington, D.C. is experiencing problems with physical security. The existing environmental support systems are inadequate. The Department contracted with an architectural and engineering firm to analyze, evaluate, and recommend improvements to the existing ADP environmental support systems. A plan and milestones have been established to provide a long-term solution to these problems.

Several of the Department's organizations focused on the security of ADP systems during the year. For example, BOP audited 31 of its institutions and included information systems and a review of its SENTRY, the BOP automated inmate tracking system, in the audits. The USMS included an ADP systems inventory in 17 compliance reviews. The DEA performed an ADP vulnerability assessment and completed the worldwide encryption of their computer access lines. The two regional computer centers of the FBI performed risk assessments this year.

Significant Concern: Storage of Drug Evidence
Category of Concern: Property/Inventory Systems

Description of Concern: Internal control issues regarding the handling and storage of drug evidence were reported by the Department in 1985 and continue to be of concern.

Current procedure often requires DEA to store vast quantities of drugs, at times for several years, until all court proceedings are concluded. Potentially, DEA faces serious storage-related security problems in addition to the expense of the storage space. Storage of large quantities of drug evidence with a high dollar value creates the risk of penetration of the laboratories and storage facilities by hostile elements. This creates a threat to the safety of the United States Government personnel and property, as well as the possibility of the contraband drugs being re-introduced into the drug traffic if they are stolen. The estimated dollar value based on the 1986 street value of the current stored drug evidence is in excess of $12.1 billion dollars.

Corrective Action: The Department's Criminal Division, with participation by the United States Attorneys, Federal judges, and DEA, conducted a comprehensive review of this issue. The review is in draft and, as soon as the Department's leadership is provided with the final recommendations, the appropriate actions will be taken.

Significant Concern: Impact of the Federal Employees' Retirement System Act of 1986 on the Law Enforcement Career Development Program (FBI)
Category of Concern: Personnel and Organizational Management

Description of Concern: The new retirement system requires law enforcement personnel to be in a "first-line" operational position for 10 years prior to promotion to a supervisory or administrative position in order to retain eligibility for law enforcement retirement benefits. The FBI is a good example. Under the Law Enforcement Career Development Program, special agents may be, and have been, promoted to supervisory and administrative positions within their first 10 years of service. It is believed that the new 10-year requirement would deprive the FBI of the benefit of managerial talents of those who could become managers within 10 years, force accelerated managerial advancement because in some instances the special agent's total tenure might be only 20 years, discourage some special agents with managerial aptitude from entering the program, and may even be the reason for their leaving the FBI for managerial positions elsewhere.

Corrective Action: The FBI is pursuing a solution to the 10-year requirement of the new retirement act. The Department will work with the FBI and its other law enforcement components to assist in finding an equitable solution to this issue.

Significant Concern: Inadequate Base Funding for Travel, Confidential Expenses, and Supplies (FBI)

Category of Concern: Program Management

Description of Concern: Primarily because of the inadequate base funding for travel and confidential expenses and supplies it was necessary to reprogram funds designated for automobiles and certain technical equipment for this purpose. The reprogramming has caused delays in replacing needed automobiles, implementing certain management systems, and in procuring needed technical equipment, all of which has had an adverse impact on operational effectiveness and efficiency of the Bureau.

Corrective Action: Several management adjustments have been made and adequate resources are being sought to prevent the recurrence of this situation.

Enclosure C

DEPARTMENT OF JUSTICE
1986 FEDERAL MANAGERS FINANCIAL INTEGRITY ACT REPORT
ACCOUNTING SYSTEMS REVIEW

Section 4 of the Federal Managers Financial Integrity Act (FMFIA) requires a review of accounting systems for the purpose of determining whether they are in conformance with the Comptroller General's principles, standards, and related requirements. During FY 1986, Department of Justice personnel reviewed cash management practices as they apply to the timeliness of collections and disbursements, and performed an indepth evaluation of commercial "off-the-shelf" software packages for financial management systems. Department personnel also reviewed the status of corrective actions on previously reported deficiencies, audit reports and management studies. The reviews disclosed that, taken as a whole, the Department of Justice accounting systems are in conformance with the Comptroller General's principles, standards, and related requirements.

We applied the new Office of Management and Budget (OMB) criteria for reporting non-conformance. Accordingly, we are only reporting a material non-conformance in the accounting for legal process debts which is an activity of the accounting system for the Offices, Boards, Divisions, and United States Marshals Service. This was reported for the first time in our 1985 report.

The accounting for legal process debts does not fully conform to accounting principles and standards. In order to correct this, complete accounting requirements were issued to organizations maintaining subsidiary systems. Most of the reporting offices have implemented these requirements. However, until all offices report all unliquidated claims and submit required aging reports, full general ledger control will not be complete. All reporting elements should complete these last phases in FY 1987.

Non-conformances were found throughout the Department which are not material in nature. Generally, these non-conformances are the result of insufficient resources in financial management, particularly in systems development and improvement.

Recently, the OMB expressed concern about Federal agencies not complying with the Prompt Payment Act and not analyzing erroneous payments in benefit, grant, and loan programs for the purpose of improving payment controls. The review of cash management practices discussed above included a review of the implementation of the Prompt Payment Act and no material deficiencies were reported.

In regard to OMB's concern about agencies not analyzing erroneous payments, the Department does not have benefit and loan programs and its grant programs are not susceptible to erroneous payments. Requests for advances and reimbursements to grantees are reviewed prior to payment. A system modification has been implemented to identify possible excess advances, and drawdowns and expenditures are reconciled. Failure on the part of grantees to submit timely expenditure reports or reconcile accounts results in payment suspension.

Enclosure D

DEPARTMENT OF JUSTICE
1986 FEDERAL MANAGERS FINANCIAL INTEGRITY ACT REPORT
STATISTICAL SUMMARY

Reasonable Assurance	X YES	____ NO
Section 2 (FMFIA)		
Overall Compliance	X YES	____ NO

Material Weakness	REPORTED	CORRECTED	PENDING
Prior Years	10	8	2
1985 Report	1	0	1
1986 Report	3	0	3
Total	14	8	6

Section 4

Overall Conformance	X YES	____ NO

Section 4 Systems	TOTAL	IN CONFORMANCE
Prior Years	7	1
1985 Report	7	1
1986 Report	7	7

Material Non-Conformance	REPORTED	CORRECTED	PENDING
Prior Years	20	20	0
1985 Report	8	7	1
1986 Report	0	0	0
Total	28	27	1

Memorandum

ENCLOSURE E

Subject	Date
Semiannual Report (Unresolved Audit Report Status)--INFORMATION MEMORANDUM	NOV 3 1986

To

The Attorney General

From

/s/
Harry H. Flickinger
Acting Assistant Attorney General
for Administration

As required by paragraph 8 of the Office of Management and Budget (OMB) Circular No. A-50, "Audit Followup," Revised, attached please find the necessary information which fulfills the semiannual reporting requirements on unresolved audit reports over 6 months old. For the period April 1, 1986 through September 30, 1986, there were no unresolved audit reports over 6 months old. Additional information provided is: the number of audit reports resolved; the amount of costs questioned; the amounts of questioned costs recovered, adjusted and offset; and the number of demands made for payment.

If you have any questions regarding this information, please call me.

Attachment

Attachment

OMB Circular A-50
Semiannual Report on Status
of Unresolved Audit Reports
Audit Staff
Justice Management Division
April 1, 1986 through September 30, 1986

1. Status of unresolved audit reports over 6 months old.

   As of September 30, 1986, there were no unresolved audit reports over 6 months old.

2. Number of audit reports resolved during the reporting period: 134.

3. Costs questioned as a result of audits performed during the reporting period: $6,394,086.

4. Amount recovered during the reporting period: $124,571.

5. Amount of offsets during the reporting period: $39,259.

6. Amount adjusted/waived during the reporting period: $1,078,612.

7. Number of demands for payment made during the reporting period: -0-.

DEPARTMENT OF JUSTICE
OPERATING PLANS FOR FINANCIAL MANAGEMENT SYSTEM IMPROVEMENTS
MARCH 1 - SEPTEMBER 30, 1987

AGENCY CONTACT NAME: JAMES E. WILLIAMS
TITLE: DEPUTY DIRECTOR, FINANCE STAFF/JMD
TELEPHONE NUMBER: (202) 633-5538

1.0 Project Title: Comparative Analysis: Justice Management Division's Financial Management System and the FAMIS Logical Model.

Project Description: This project will identify the financial management improvements that must be made to the present Justice Management Division's financial management functions of accounting, budgeting, procurement, and property in order to achieve the objectives of the FAMIS logical model. A walkthrough questionnaire has been developed to ascertain each system's current performance of the financial requirement/function, the necessary changes, the impact on other financial functions, and the enhancement benefits. The financial management system user community is also being polled to assist the project team in identifying enhancements to the existing system(s).

Systems: Accounting, Budgeting, Procurement, and Property

Benefits: Provides a structural approach to system developments and enhancements, and provides for the efficient and economical use of financial and human resources.

	Task	Milestone	Start	End
1.1	Gather Data	- Interview system analysts, programmers, and operators	10/86	12/86
		- Interview user community	12/86	1/87
1.2	Utilize Collected Data	- Analyze data	12/86	1/87
		- Identify projects	1/87	2/87
		- Prioritize projects	2/87	3/87
1.3	Develop Schedules	- Prepare project development and implementation schedules	3/87	5/87

2.0 Project Title: FMIS/LAGA Synchronization

Project Description: The current Offices, Boards, Divisions and the U.S. Marshals Service Accounting System (OBD/USMS) is supported by two financial systems - the Financial Management Information System (FMIS) and the Legal Activities and General Administration (LAGA) System. The FMIS is an on-line system using modern commercial off-the-shelf application generator software. It is easy to use, maintain, and enhance. The LAGA system is an older system which is labor intensive for maintenance purposes and very limited in its ability to adopt to changing requirements. Because of differences in the type of data processed and the processing procedures, the financial data from these two systems may not be in agreement.

This immediate project provides for the synchronization of data within the two systems, and the availability of all accounting data on an on-line basis. Once the data bases are synchronized, projects will be established to eliminate the LAGA system.

System: Accounting

Benefits: Eliminates inconsistent data and provides more timely information

	Task	Milestone	Start	End
2.1	Analysis	- Define Requirements	11/86	11/86
		- Develop crosswalk of transactions between both systems	12/86	12/86
2.2	Detail Design	- Develop software logic	1/87	1/87
2.3	Implementation	- Test programs	3/87	3/87
		- Document	4/87	4/87
		- Train Users	4/87	5/87

3.0 Project Title: Redesign of the Expenditure and Allotment Report

Project Description: As a result of the project to synchronize the FMIS and LAGA data, this project provides for better reporting of the data. The Expenditure and Allotment (E&A) Report will be redesigned to improve data classification, provide a more descriptive report title and reporting columns, and add information for analytical purposes.

System: Accounting

Benefits: Improves management information and standardizes the use of the report

	Task	Milestone	Start	End
3.1	Analysis	- Analyze current reporting requirements	1/87	1/87
		- Define new requirements	1/87	1/87
3.2	Detail Design	- Develop format	1/87	2/87
		- Revise software logic	2/87	2/87
3.3	Implementation	- Test posting of data	2/87	3/87
		- Document	3/87	3/87
		- Train users	3/87	3/87

4.0 Project Title: Implementation of General Ledger (Government-Wide Standard General Ledger and Existing General Ledger) on the FMIS

Project Description: The General Ledger is currently maintained on the LAGA System. As a part of the strategy to eliminate the LAGA System, the General Ledger will be maintained on the FMIS. This project will provide for both the implementation of the Government-Wide Standard General Ledger and the movement of the current General Ledger to the FMIS.

System: Accounting

Benefits:
- Will satisfy the Office of Management and Budget's and the Treasury Department's reporting requirements
- Will standardize financial information accumulation within the Department and government-wide
- Will provide daily access to General Ledger information

Task	Milestone	Start	End

4.1	Analysis	- Compare Standard General Ledger to existing General Ledger	7/87	7/87

Task		Milestone	Start	End
4.1	Analysis	- Define requirements for implementation on FMIS	7/87	8/87
		- Develop implementation approach	9/87	----

5.0 Project Title: Standardization of Departmental Financial Management Data Definitions and Processing Logic

Project Description: Consistent with the Department of Justice Financial Management System (DOJ FMS) Plan to establish a single logical FMS, this project will standardize the financial data elements and processing logic (including financial management policies and procedures) within the Department.

Systems: Accounting, Budgeting, Procurement, and Property

Benefits: - Provides for a single logical FMS within the Department

- Will provide for uniform financial management data

Task		Milestone	Start	End
5.1	Analysis	- Review for potential use the data definitions of the FAMIS Logical Model	8/87	8/87
		- Compare the logical model definitions with each Departmental component's existing data definitions	9/87	----

6.0 Project Title: Integrated Procurement System •

Project Description: This project will replace and enhance the current Procurement System with a system that makes use of database and fourth generation language technology and operates within the Justice Management Division's existing Financial Management System.

System: Procurement

Benefits: - Fully integrates procurement and accounting

- Provides a model system for all Departmental users

- Replaces an aging document/file processing system
- Reduces redundant keying and storing of data
- Greatly improves reporting flexibility and speed
- Provides for tracking at a detail level
- Aimed toward a Department-wide, integrated Financial Management System

Task		Milestone	Start	End
6.1	Analysis	- Analyze the existing system	12/86	1/87
	Task	**Milestone**	**Start**	**End**
6.2	Design	- Develop prototype system	1/87	3/87
		- Design file structures	4/87	5/87
		- Design input screens and reports	4/87	5/87
		- Write programs	5/87	8/87
6.3	Implementation	- Test system	8/87	9/87
		- Run parallel systems	9/87	9/87
		- Initiate operation of system	10/87	

7.0 Project Title: Upgrade of OBD/USMS Accounting System for Processin of Assets Forfeiture Fund Financial Information *

Project Description: This project will enable the OBD/USMS Accounting System to address a material weakness identified in the Attorney General's annual report under the Federal Managers' Financial Integrity Act. Through the use of a systems development contractor, the accounting system will be upgraded to process forfeiture accounting information on a transaction level basis from the USMS District Accounting System. This enhancement represents a significant improvement in the current system where forfeiture accounting information is received only monthly and at a summary level, with supporting documentation maintained manually in the USMS field offices.

System: Accounting

Benefits:
- Provides full disclosure of forfeiture financial transactions
- Provides accurate, timely, and reliable management information
- Increases control and accountability for forfeiture transactions

Task		Milestone	Start	End
7.1	Define requirements	- Analyze current reporting system	1/87	2/87
		- Gain familiarity with USMS District Accounting System	2/87	3/87
7.2	Procure systems development contract	- Develop RFP	3/87	3/87
		- Bidding Period	4/87	6/87
		- Analyze bids and select contractor	6/87	7/87
7.3	Systems development	- Work with contractor to develop system	8/87	----

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TITLE: ASSISTANT DIRECTOR
FOR FINANCIAL MANAGEMENT
U.S. MARSHALS SERVICE
TELEPHONE NUMBER: (703) 285-1231

1.0 Project Title: District Accounting Subsystem

Project Description: This project provides for the development of a subsystem which supports the accounting requirements of the U.S. Marshals Service's (USMS) district and sub-district offices. It will provide automated assistance for recording accounting data, querying accounting data, preparing accounting reports, and generating end-of-month close-out data for the Headquarters, USMS, and the OBD/USMS Accounting System. The system has been developed, tested, and implemented in several of the district offices. During

Fiscal Year 1987, the system will be implemented in additional USMS offices and integrated with the Departmental financial management system (FMS).

System: Accounting

Benefits:
- Provides more timely information
- Provides an audit trail of all accounting data
- Standardizes the accounting functions and practices at all USMS offices
- Improves data accuracy
- Addresses weaknesses previously identified in the Department's accounting system certification reports
- Fully integrates the USMS FMS with the Departmental FMS

Task		Milestone	Start	End
1.1	Implementation	- Install equipment	10/86	9/87
	Task	Milestone	Start	End
		- Implement system at 30 offices (including 28 districts, Headquarters, and training center)	10/86	9/8
		- Train users	10/86	9/87
1.2	System Integration	- Develop and implement integration requirements with the Departmental FMS	5/87	----

FEDERAL BUREAU OF INVESTIGATION
OPERATING PLAN FOR FINANCIAL MANAGEMENT SYSTEM IMPROVEMENT
MARCH 1 - SEPTEMBER 30, 1987

AGENCY CONTACT NAME: TED R. PING
TITLE: CHIEF, ACCOUNTING SECTION
TELEPHONE NUMBER: (202) 324-3440

1.0 Project Title: Upgrade Existing Systems

Project Description: New releases of commercial software used to support the Financial Management System will be implemented during this period.

Systems: Accounts Payable, Budgetary Control, and General Ledger

Benefit: A higher level of integration, improved control and reporting

	Task	Milestone	Start	End
1.1	Implementation	- Run test data	1/87	10/87
		- Test interfaces	1/87	10/87
		- Test reports	1/87	10/87
		- Convert files	1/87	10/87
		- Full implementation	1/87	10/87

AGENCY CONTACT NAME: TED R. PING
TITLE: CHIEF, ACCOUNTING SECTION
TELEPHONE NUMBER: (202) 324-3440

2.0 Project Title: Implement New Systems (Replacement)

Project Description: Replace existing Purchasing, Fixed Assets, and Inventory Management Systems with new commercial software

Systems: Fixed Assets, Purchasing, Inventory Management

Benefits: New software will integrate with existing financial software, provide higher level of functions, improved control, and reporting

	Task	Milestone	Start	End
2.1	Implementation	- Run test data	1/87	10/87
		- Test interfaces	1/87	10/87
		- Test reports	1/87	10/87
		- Convert/Load files	1/87	10/87
		- Train users	1/87	10/87
		- Full implementation	1/87	10/87

AGENCY CONTACT NAME: JOHN H. SKAGGS
TITLE: CHIEF, VOUCHER PAYROLL
TELEPHONE NUMBER: (202) 324-2865

3.0 Project Title: Implement New Personnel/Pay System

Project Description: Acceptance testing of contracted software for the integrated Personnel/Pay System

Systems: Payroll/Personnel

Benefits: - A single integrated system

- Improved processing

- Reduction of data entry

- Improved reporting

- Making use of the Departmental Payroll/Personne Information Model, the FBI system will employ the common data definitions and processing logic resulting in a single Department of Justice payroll/ personnel logical system physically operated at two sites (FBI and JMD)

	Task	Milestone	Start	End
3.1	Implementation	- Dual testing of new data base for payroll processing	1/87	10/87

	Task	Milestone	Start	End
		- Employee Thrift Savings Plan for new retirement system	1/87	10/87
3.2	Analysis	- Plan to incorporate Drug Enforcement Administration into new system	1/87	10/87

281

Department of Justice

1986 FINANCIAL MANAGEMENT SYSTEM PLAN

DECEMBER 1986

TABLE OF CONTENTS

EXECUTIVE SUMMARY 1

BACKGROUND 1

1. DOJ FMS Strategic Plan 1

2. FMS Activities During Fiscal Year 1986 1

- FMS Working Group Activities 1

- FMS Project Requests 4

- Accomplishments Under the National Assets Seizure and Forfeiture Fund 7

- Significant DOJ FMS Developments/Improvements 8

- FAMIS - FMS Pilot 9

- Departmental Payroll/Personnel System 10

PLANS FOR IMPLEMENTATION OF THE DOJ FMS 11

1. Design Alternatives 11

2. Selected Alternatives 11

3. Rationale for the Decision 11

- Use of Off-the-Shelf Application Software Packages 11

- Use of Commercial Application Generator Packages 12

4. Accomplishing the Financial Systems Modifications 15

5. Migration to the DOJ Pilot 17

1985 DOJ FMS PLAN . . . . . Attachment A

INVENTORY OF DOJ FINANCIAL SYSTEMS/SUBSYSTEMS . . . . Attachment B

EXECUTIVE SUMMARY ----DECEMBER----

On April 5, 1985, the Department of Justice (DOJ) implemented a Financial Management System (FMS) Directive which prescribed the policy for establishing and managing a single, integrated FMS. The Justice directive fully embraces the objectives of OMB Circular A-127 and the other circulars and bulletins governing management of Federal information resources. On April 21, 1986, the Attorney General issued Order DOJ 2860.3A, The Department of Justice Internal Control and Financial Management Systems, which delegated to the Assistant Attorney General for Administration the authority to establish a single, integrated FMS within the Department, and to prescribe financial management system responsibilities in the establishment, maintenance, and evaluation of and reporting on the system.

Justice's FMS will continue the use of contemporary technology to achieve functional and organizational integration of financial information systems. It represents a key initiative in the Department's overall Management and Productivity program.

Justice's FMS program will minimize duplication and maximize utilization of systems development resources. The FMS will be supplemented by specific organizational subsystems only where truly unique requirements exist. A FMS Oversight Committee was established to plan the evolution of the FMS consistent with OMB objectives. The FMS plan is designed to:

(1) Provide necessary financial information to support all levels of management in all DOJ organizations;

(2) Integrate automated functions for accounting, budgeting, procurement, property (personal and real), payroll, and personnel;

(3) Account for all resources owned or managed by the Department;

(4) Apply a uniform financial information model throughout the Department;

(5) Store data on a common data base management system at each data processing center;

(6) Use shared software for single source input and processing; and,

(7) Maximize the use of off-the-shelf software which is maintained by a vendor for multiple federal users, where it is determined to be cost-effective.

The FMS will provide the opportunity for consolidating financial operations and systems management to the extent that can be cost-effective.

The Assistant Attorney General for Administration is the senior management official responsible for implementing and directing the FMS. The FMS planning process is a subset of Justice's Automated Information Systems (AIS) planning process.

The FMS plan requires DOJ-wide user involvement. A comprehensive planning structure has been established to insure involvement of all components. All six bureaus and the Justice Management Division have been designated as FMS segments. A segment manager has been appointed to represent the interests of each segment. All segment managers must ensure that all of the financial systems functions of their segments have been considered in any matter affecting the system.

The Justice segment managers comprise the Justice FMS Oversight Committee. The Committee is chaired by the Deputy Assistant Attorney General, Office of the Comptroller. The Deputy Assistant Attorneys General for the Office of Personnel and Administration and the Office of Information Technology are members of the FMS Oversight Committee. Within the Justice Management Division, each central staff hosts a working group to coordinate Department-wide issues and matters of interest to that staff's financial function. For example, the Financial and Accounting Working Group, which meets periodically, addresses such matters as financial policies and general ledger standardization. With this planning structure, the Department ensures full participation within each segment and full Department-wide involvement in each functional area.

The Justice FMS strategy calls upon the FMS segment managers to take lead roles in defining and designing those aspects of the system for which they possess a particular interest or expertise. For example, the Office of Justice Programs, the major granting organization, will define grant related requirements; the US Marshals Service has the lead role in the definition of requirements for seized and forfeited assets.

The software functions of the Justice FMS are classified for management purposes into three sets or tiers:

Tier I, Core Functions, such as general ledger processing, are functions common to all segments. The policies, rules, and data requirements with respect to the operation of each function must be the same. Software for core functions will be used by all DOJ components.

Tier II, Shared Functions, such as grant accounting and seized asset management, are functions that are performed by more than one but not all segments and are a primary responsibility of a particular bureau. Shared software will be used by all DOJ components which have activities classified as a shared function.

Tier III, Unique Functions, such as prison industries, are functions performed by only one major Departmental organization. DOJ components which have activities classified as unique may develop and operate independent modules.

The information model and requirements for core software (Tier I) will be managed by a central management organization of the Department. Core software will be maintained and enhanced in conformance with the information model.

The model and requirements for shared software (Tier II) will be managed by a lead bureau or division in coordination with affected organizations. Shared software will also be maintained and enhanced consistent with core software to the maximum extent practicable.

Unique software (Tier III) will be developed and maintained using common languages and conventions to maximize potential for later sharing. Also, non-core functions will be developed and managed through the FMS planning process.

The core and shared software will meet uniform standards for analysis, design, coding, testing, and operations within the scope of the servicing data center. Unique software will conform to the same standards to the extent practicable.

The Justice FMS will employ a multiple data center concept. The core application software and associated resources will be managed by the bureau or division in whose computer center the

software is operated. The selection of data base management systems and fourth generation tools will optimize the use of tools already available in the two principal DOJ data centers.

Justice presently operates two principal data processing centers; one by the Justice Management Division and one by the Federal Bureau of Investigation. The two sites will continue to service mission support systems which must be integrated with the financial and administrative systems of the mission activities. The main software technologies employed at these two sites are different. The Department will standardize the financial management systems at the two data processing centers by requiring that standard data definitions, policies, and procedures be employed. The multiple data center precludes the costly conversion of all mission support systems only to accommodate financial and administrative systems.

In line with the Office of Management and Budget's requirement that agencies use off-the-shelf software, where feasible, in modernizing their FMS, the Department has decided to use off-the-shelf software in the implementation of the DOJ FMS. Two types of off-the-shelf software are being employed. Off-the-shelf application software has been employed by the Federal Bureau of Investigation at its data processing center. The Justice Management Division will use off-the-shelf application generator software to achieve the objectives of its pilot system to support the remainder of the Department.

Justice has a pilot project to develop the Departmental financial information model. Clientele included in the pilot phase of the FMS are the 25 DOJ components currently serviced by the Justice Management Division. This enables the initial system to capture a broad range of financial requirements. It has the further advantage of utilizing a user base which has considerable experience with contemporary technology. These DOJ components have been utilizing fourth generation programming languages in operational financial systems for several years.

The DOJ plans to migrate the pilot FMS to the bureaus serviced by the DOJ data processing center (operated by the Justice Management Division) on an incremental basis. As core modules of

the pilot system are completed, the modules will be implemented by the bureaus on an as needed basis. The Department is implementing modules to service Departmental components in advance of the availability of the fully functional pilot. This strategy assigns primary responsibility for development of core modules to the Justice Management Division. Tier II (shared) modules will be developed by lead components under the Justice Management Division's direction.

All FMS project proposals with estimated development costs of $100,000 are reviewed centrally prior to the expenditure of funds to determine the potential for sharing or inclusion in the core system project.

The Department is in the process of developing an AIS Plan which addresses all Information Resource Management (IRM) components. The FMS Plan is a specific objective of this Departmental Plan. Integration of the FMS Plan with the DOJ AIS Plan represents additional evidence of Departmental conformance with the requirements of OMB Circulars A-123, A-127, A-130, as well as other Reform 88 initiatives.

BACKGROUND

DOJ FMS Strategic Plan

The DOJ FMS Plan submitted with the FY 1987 budget articulated a coherent set of planning policies and a Departmental strategy for accomplishing the objectives of OMB Circular A-127. The plan was developed in concert with all DOJ components and coordinated through the mechanism provided by the Financial and Accounting Working Group and the FMS Oversight Committee. It is a plan for the evolution of computer systems to be consolidated into an integrated Departmental system.

FMS Activities During FY 1986

FMS Working Group Activities

During the year, the Departmental Financial and Accounting Working Group (FAW Group) continued to meet on a regular basis to address common financial management issues and to further coordinate efforts related to the DOJ progress toward a single FMS. The following are financial management policies, procedures, initiatives, and activities that were addressed through the group:

- Government-Wide General Ledger Project. The FAW Group continued to participate in the Government-Wide General Ledger Standardization Project. The group reviewed and provided comments to the DOJ representative of the Department of Transportation Subtask Group. It also was the forum and mechanism for communicating activities of this effort to all Departmental organizations. Naturally, any government-wide standards established will be implemented in DOJ systems.

- Financial System Reviews. The group served as the initiation point for review of the Departmental accounting systems as required by the Federal Managers' Financial Integrity Act and the Cash Management Reviews as required by the Department of Treasury.

- Financial Project Improvements. The group developed a questionnaire for requesting financial system improvements. For interim project improvements of $100,000 or more, a mechanism was needed to ensure that all planned FMS projects are reviewed centrally for conformance with the DOJ FMS Plan.

- The Personnel and Payroll Data Online Access System (PERSPAY). PERSPAY is a Justice Management Division (JMD) developed on-line facility that provides access to the official personnel and payroll data of every organization. FAW Group members were briefed on the information available through the system, its use within the Department, and some of its functional capabilities. As a result, all DOJ segments serviced by the central payroll system have on-line access to their personnel/payroll data within the DOJ Central Payroll System.

- The Seizure and Forfeiture of Assets. Through the dissemination of information and the efforts of group members, (a) monies held by organizations responsible for the seizure of assets were effectively transferred to the appropriate fund of the custodian organization; and (b) a charter was developed and approved for the establishment of an Asset Forfeiture Management Information System Subcommittee. The committee is establishing the direction for a system which addresses all requirements of the investigative, seizing, litigating, and financial management interests of the Department.

- Employee Relocation Contracting. Three relocation contracts have been awarded within the Department: the DOJ contract, the FBI contract, and the U.S. Marshals Service contract. All DOJ components have the option to use any of these contracts. Each of these contracts is providing cross-servicing to DOJ components.

- Diner's Club Credit Card. This cash management initiative was first implemented by the JMD within the OBDs. Through the sharing of information, most of the thirty-one Departmental components are now using the Diner's Club Credit Card for the payment of travel expenses. Use of the Diner's Club Credit Card has substantially reduced

the amount of imprest funds required; has virtually eliminated problems connected with outstanding travel advances; and the use of and accountability for Government Transportation Requests has been all but eliminated. The Department is encouraging expanded use of the credit card to components' field offices and current non-users.

- Cashiers Draft Payment System. The DOJ was designated a pilot agency by Treasury for the Cashiers Draft Payment System. JMD was able to share its accomplishments with other Departmental components. The system has been implemented within other segments and has proven to be an asset to the Department. Some of the advantages of the system are: (a) reduced imprest fund monies outstanding; (b) improved control over travel advance issuances in field offices; and, (c) improved responsiveness to programs which required immediate payment of vouchers.

- GELCO Travel Services. In lieu of using local travel management agencies, the JMD has contracted with GELCO to arrange temporary duty travel and other travel related services on a nationwide basis. The contract provides for many services that are not offered by local travel agencies. The services are available to all Departmental components.

- FMS Data Call and Submission. An FMS data call was developed and issued to all DOJ FMS segments requesting information on all aspects of their present FMS environments. The DOJ segment responses to the data call provide an in-depth description of the Department's present FMS environment. The FMS Data Call is the mechanism used to obtain information on the existing financial management systems and the financial development/improvement projects within the Department. The 1988 FMS Data Call was specifically designed to obtain updated information on the Department's present financial system environment. Information in the following areas were requested from each major Departmental component: (a) personnel resources in the areas of systems policy, operations, maintenance, and developments/improvements; (b) current and proposed

services/product acquisitions; (c) hardware support; (d) currently used and proposed purchases of software; and (e) transaction volumes by functional area.

- Second Year Update to the DOJ FMS Plan. This plan is the update of the first five year plan which was submitted with the Fiscal Year 1987 budget request. The update was coordinated through the DOJ Information Resource Management planning process, the FMS Oversight Committee, and the FAW Group to ensure Department-wide user involvement.

- Department-Wide Regulations. One of the major objectives of the FAW group is the development and implementation of Department-wide regulations in lieu of separately issued component financial management policies and regulations. Through the FAW Group, representatives from each component have been appointed to a task group to revise the DOJ temporary duty travel regulations. The July 1, 1986 travel changes in subsistence allowances will be incorporated into the regulation. The task group will also develop a DOJ regulation for relocation allowances.

FMS Project Requests

Many of the components within the Department are operating under obsolete and inefficient financial support systems which results in unreliable financial data bases, the poor utilization of staff time, and the ineffective and untimely reporting of financial information to internal management and central management agencies. As a result, the Department has received several requests for financial system improvements from its component organizations.

Recognizing that components will have system or management requirements that must be addressed during the development of the DOJ pilot system (FAMIS), the Department established mechanisms for the review and approval of these interim system developments/improvements. All approved system developments/improvements, however, must be consistent with the DOJ FMS Plan.

The following actions have been taken to guide Departmental system developments/improvements toward a single FMS:

- Federal Prison System

  - Bureau of Prisons (BOP). In 1983, the BOP began development of their Trust Fund FMS using off-the-shelf software from Cullinet. After issuance of OMB Circular A-127 in 1984, it was determined that BOP should continue their development effort because (a) the soft-ware had already been purchased, (b) the software was one of the major commercially available financial management systems, and (c) the development of the DOJ prototype was not sufficiently advanced. In September 1985, the BOP solicited Departmental support to procure off-the-shelf software and equipment to replace their Inmate Deposit Fund System (a subsystem of the Trust Fund FMS). The Inmate Deposit Fund System is a financial function of Tier 3 (Unique Functions) of the DOJ FMS software inventory. As a unique function that will be performed only by the BOP, the purchase of Cullinet software for the Inmate Deposit Fund System was determined to be consistent with the DOJ FMS Plan, and was therefore approved.

  - Federal Prison Industries (FPI). The FPI developed plans for an Inmate Payroll System and the purchase of MSA accounting packages. After a review of the plan and a meeting with FPI, a memorandum of understanding was developed. The Inmate Payroll System was determined to be a part of the Tier 3 DOJ FMS software inventory. Therefore, approval was granted for development of a formal requirements analysis and preliminary systems design. Both the BOP and FPI are utilizing off-the-shelf software. Therefore, we have strongly encouraged them to coordinate and consolidate their FMS activities, and preferably to utilize the same off-the-shelf software.

- Drug Enforcement Administration (DEA). The DEA developed plans for implementing a Front End Processing System to its accounting system. Plans called for the system to be written in a data base management system (DBMS) user language that would have represented a major change to DEA's accounting system. Based on Departmental policy, all system upgrades are to be discontinued unless the

upgrade(s) is (are) in accordance with the DOJ FMS Plan. DEA's plan for a Front End Processing System was not supported because (a) the resulting system upgrade would not be consistent with the DOJ FMS policy to minimize the use of different 4GL software tools and DBMS's at the same data processing center, and (b) the plan did not provide for a DEA-FBI sharing arrangement as stated in the Department's DOJ FMS strategic plan. The DEA was advised that all DEA financial system initiatives should be concurred with by the FBI.

- Federal Bureau of Investigation (FBI). On October 1, 1984, the FBI initiated implementation of the MSA packaged software for General Ledger, Budgetary Control, and Accounts Payable. In August 1985, the FBI solicited Departmental support in obtaining OMB approval for procurement of additional MSA off-the-shelf software to automate their remaining financial functions: Purchasing, Fixed Assets, and Inventory Management. The Department and OMB determined that the purchase of additional MSA modules to automate the FBI's remaining financial functions was consistent with the DOJ FMS Plan and OMB.

- United States Marshals Service (USMS). The USMS has developed plans for a District Automation Project. In a meeting with the USMS, the project was discussed in relation to the DOJ FMS Plan. It was agreed that the USMS should continue to enhance their "front-end" processing to the Departmental FMS and that when the pilot FMS was developed the USMS would comply with the transaction level data requirements of the system. Recommended changes to comply with the DOJ FMS Plan were adopted, and approval of the project has been granted.

  The USMS has also developed plans for a Seized Assets Management Information System. The plans did not provide for a shared system development concept as required under Tier 2 of the DOJ FMS software inventory. The Asset Forfeiture Management Information System Subcommittee will work with the USMS in developing a Seized Assets Management Information System Plan that will be consistent with the DOJ FMS.

Accomplishments Under the National
Assets Seizure and Forfeiture Fund

One of the never, important program efforts of the Department which has major importance for financial management is the National Asset Seizure and Forfeiture Program. The program was created within the U.S. Marshals Service to centralize the management of seized assets, and to support the Administration's Organized Crime and Drug Enforcement Task Force initiatives. Some of the major responsibilities of the program are to provide funding and financial control for the maintenance and disposal of property, to provide specialized and timely property management, and to provide program and financial data that reflect the benefits to the government and operation of the program.

The USMS has the lead responsibility for this program which requires close cooperation with the FBI, DEA, INS, U.S. Attorneys, and Criminal Division. In order to coordinate activities of these organizations and to improve the financial management of the program, the following actions have been taken:

- A Departmental order has been drafted which addresses the financial management of seized and forfeited assets. The order has been reviewed by the sharing organizations, and comments received are being reviewed for incorporation into the order. After the appropriate comments are incorporated, the order will be forwarded through the DOJ directives clearance process for approval by the Attorney General.

- Cash (e.g., seized cash, forfeited cash, and sales proceeds) held by organizations responsible for the seizure of assets were effectively transferred to the appropriate fund of the USMS.

- An Asset Forfeiture Management Information System Subcommittee has been established to develop Department-wide information and accounting requirements. The Subcommittee has developed a data call to collect information on existing automated and manual systems maintained by the various components. The information will be used to determine the overall environment of the Department's asset seizure and forfeiture systems.

- Intensive reviews of the FBI, DEA, and USMS current seized cash management practices were conducted. The review was undertaken in accordance with the Department of Treasury Cash Management Review Guide. The results of the review have been provided to the Department of Treasury and to the seizing organizations.

Significant DOJ FMS Developments/Improvements

- The FBI is continuing with implementation of the MSA software. Three additional modules are being implemented.

- The BOP is implementing Cullinet's off-the-shelf software package for its Trust Fund activities

- The FPI has completed the requirements analysis and preliminary systems design of their Inmate Payroll System. They are now in the Detail Design phase of the project.

- The JMD (along with other DOJ components) is working on the development of the DOJ core tier software.

- The following progress has been made in the development of the Department's single payroll/personnel system:

  - The FBI has initiated development work on its portion of the Payroll and Personnel System. The contract calls for the system to incorporate the needs of the DEA, and for the system to be developed using the Departmental Information Model described in the next paragraph.

  - The JMD has awarded a task order to develop the DOJ Human Resource Management Information System (HRMIS) Model. The Information Model will be used by JMD and the FBI to accomplish a logically unified DOJ core payroll/personnel system.

- The travel payment functions of the Office of Justice Programs are now being provided by JMD under a cross-

servicing arrangement. The Department will continue to combine financial operations, functions, and systems where feasible and cost effective.

- Many of the manual processes of the Cashiers Draft Payment System have been automated. Some of the processes that have been automated include: (a) the printing of the drafts; (b) the receipt of information on draft clearances; (c) the direct transfer of information to the Justice Data Center; (d) payments to the third party; and, (e) the development of management reports. Under another new cross-servicing arrangement, the JMD, BOP, and INS are using this software in the operation of their Cashiers Draft Payment System.

- JMD and BOP are operating under the same Diner's Club travelers checks system. The sharing of these functions has resulted in Departmental cost savings in the area of systems development and maintenance.

FAMIS -- FMS Pilot

During 1986, the DOJ Pilot System (FAMIS) continued in accordance with the plan and our systems development methodology. A six month delay introduced by funding issues resulting from the Gramm-Rudman-Hollings Act resulted in the exercise of a contract option to proceed with the Preliminary Design portion of the project in April 1986 rather than in November 1985 as planned. Additionally, this phase proceeded at a slower pace than planned due to partial funding and due to the added emphasis from the Office of Management and Budget to fully examine off-the-shelf software prior to making a decision on the design strategy. Several commercial software packages were examined for implementation within the Department. The results of the review are provided in the section on "Plans for Implementation of the DOJ FMS."

In addition to the evaluation of commercial packages, the products from the first phase of the FAMIS contract (FMS requirements and the FMS Logical Model) were completed and distributed to Departmental components and several external agencies interested in the Department's systems development approach. The package was used by Departmental components as a basis of comparison to their FMS requirements.

Departmental Payroll/Personnel System

The Department's strategy for development of a single payroll/personnel system is the same strategy as that used in the development of other FMS functions. There will be a generic Departmental Core Information Model which will be an independent logical system definition of the Departmental core personnel/payroll requirements. To the extent possible, it will consist of data element definitions and standards, reference tables, edit criteria, and computational formulas. Rules or instructions needed to perform the functional processing of basic personnel actions and salary payments will also be included. The Information Model will be maintained by a single organization in JMD and used by both the FBI and JMD Data Centers to guide standardized implementation of the core personnel/payroll functions under their respective data base management systems. It will be accessed by both JMD and the FBI by means of their separate management information systems.

The JMD management information system, HRMIS, will be designed to process personnel actions and salary payments and to store and provide access to payroll and personnel information used in the following activities: position management and classification, budget, EEO and affirmative action, personnel security support for the OBDs, and the tracking of data on applicants and other non-DOJ personnel such as contractors and vendors who have been granted clearances and/or building passes. The Resource Management System of the FBI will provide automated support for the management and control of the personnel, financial, and statistical resources. It will include the functions of position management, applicant tracking, employee benefits, performance appraisal, recognition and awards, and EEO.

Thus far, the following have been accomplished in the development of the Information Model:

- Obtained agreement within the Department to develop a payroll/personnel system that allows both the JMD and the FBI to access a centrally-maintained Information Model to process personnel actions and salary payments.

- Obtained OMB's concurrence in the Department's approach to developing the Information Model, which will provide a logical model, and the standards and conventions to be used in any Federal payroll/personnel system.

- Defined 480 standardized data elements as the initial step in the development of the Information Model.

PLANS FOR IMPLEMENTATION OF THE DOJ FMS

Design Alternatives

The Department examined several alternatives for implementation of the DOJ FMS. Such alternatives included custom development of a new system, acquisition of off-the-shelf software package(s), and modification of the current financial systems.

Selected Alternatives

After careful consideration of the existing conditions within the Department (e.g., the absence of funding, the diversity of the user community, organizational servicing cost issues, absence of fully functional vendor software, and the existence of modern fourth generation language and DBMS tools), the Department has decided to use off-the-shelf software as a fundamental tool in achieving a single DOJ FMS. Two types of off-the-shelf software will be used: off-the-shelf application software and application generator packages/tools. Off-the-shelf application software is being installed at the FBI operated data center, and commercial application generation systems/tools will be used to enhance the JMD's current financial systems to achieve the objectives of the DOJ pilot system (FAMIS).

Rationale for the Decision

Use of Off-the-Shelf Application Software Packages

The Department examined off-the-shelf application packages and applied them where it made sense, notably at the FBI. Because of the FBI's organizational structure, the state of its previous FMS, and other factors, the package solution was appropriate to address FBI FMS needs. Accordingly, off-the-shelf software was acquired and continues to be installed.

Use of Commercial Application Generator Packages

The decision to modify the current FMS within the JMD using commercial application generator packages was based on the results of the commercial application package evaluations, funding, and other technical factors, as explained below.

- Evaluation of Application Software Packages. The products from the first phase of the FAMIS contract (FMS requirements and the new FMS Logical Model) were used as the basis of a Request For Information (RFI) on commercial FMS packages, and (consistent with the DOJ FMS Plan policies) were submitted to vendors whose packages are presently operating within the Department: MSA and Cullinet.

  An evaluation team which included members from three bureaus and JMD's technical and operating staffs analyzed responses and documentation provided by the vendors. The team was also supported by the FAMIS contractor, Price Waterhouse, who conducted an independent review and a selected in-depth investigation of vendor responses and documentation. During this period, the project team became aware of significant progress in financial management systems offered by two other vendors -- AMS and CDSI. As a result, these vendors were also invited to respond to the RFI and were included in the assessment of the feasibility to utilize a commercial application package as the basis for the DOJ FMS Pilot Physical Design.

  As a result of the Price Waterhouse validation process, the study showed that the Department could expect at best about 61% of its financial system requirements to be satisfied by a software application package with no modification to the package. The remaining 39% could only be satisfied with new program logic, modification of the existing program logic, or redefinition of data elements. With a functional gap of this magnitude and the consideration of other factors (e.g., cost, vendor support, package maintenance, impact on existing systems and procedures, etc.), this alternative was not deemed viable.

- Funding of the DOJ FMS Pilot. Since the inception of the FAMIS project, full funding has not been available through Congressionally approved appropriations. As a result of the funding environment, the Department has had to redirect monies to continue its systems development efforts. In Fiscal Years 1984 and 1985, the FAMIS project was funded from a pool that was specifically set aside for implementation of projects under the JMD AIS Plan. In Fiscal Year 1986, although there was no central pool of appropriated funds, some funds were earmarked for limited continued development of FAMIS.

  Large-scale systems development efforts such as FAMIS require assured funding and other resource support over multiple years in order to accomplish the ambitious goal of consolidated Departmental systems. In 1986, during the Preliminary Design Phase, funding for FAMIS was REDUCED TO THE MINIMUM AMOUNT required to continue to make progress. Current resource commitments appear to be even more constraining. Although the Office of Management and Budget supported the Department's request for full funding for Fiscal Year 1987, only a small portion of the funds requested were made available. As a result, funding became a major consideration in developing the design alternative for the FAMIS project.

- Technical Factors. As stated above, other technical factors were considered in conjunction with evaluating application software packages. The following are some of the technical and cost factors considered.

  - Technical Considerations

    (1) Package Technology. Most of the application software packages examined were written in third generation programming language. The use of such technology is in direct conflict with the objectives of OMB Circular A-127, OMB Circular A-130, and the DOJ FMS Strategic Plan, all of which require the use of the most contemporary technology in the development of financial systems. In addition, there are many problems that result in the maintenance of cobol-based applications as opposed to those written in a

fourth generation language. Software maintenance productivity gains are reported as high as 25 to 1 in maintaining fourth generation language code versus the third generation language used by the packages.

(2) Interoperability. Generally, the application software packages operate in a closed environment; thereby constraining the manner in which they can interact and exchange information with other systems/applications. This is a very important factor for large agencies which require substantial integration among programmatic support systems and financial administrative systems.

(3) Flexibility. Because application software packages are maintained by the vendor, the modification of application software package programs in response to regulatory or policy changes is more difficult to achieve. There would be little if anything the Department could control to maintain or customize the software package since vendor support would be essential. This flexibility requirement is most essential when a large agency is using a single system to support numerous components. The use of a software package would require the Department to give up its ability to respond quickly to system policy changes and to the peculiar requirements of customer organizations.

(4) End-User Computing Support. The application software packages did not possess good ad hoc reporting capabilities or end-user computing support. Our current user environment includes clientele who are active developers of information tools. Users write their own retrieval programs and establish supplemental files within financial data bases to update these files. The lack of end-user computing support would be a major deficiency for Justice in the development of the total FMS.

(5) Distributed Processing. The application software packages were targeted exclusively for mainframe processing while the present user community abounds with personal computers. Today, the users' standards for system performance is a personal computer stand alone program, such as LOTUS 1-2-3. Anything less is unsatisfactory. Therefore, the FMS must provide for distributed processing that utilizes the capabilities of the personal computer. Distributed processing reduces end-user cost and improves productivity. Industry literature and our user trends clearly show the direction towards distributed processing.

- Cost Considerations. Direct and associated costs that were considered in the installation of a commercial application software package are:

(1) The package acquisition cost;

(2) The cost to [illegible]fy the software package;

(3) Data conversion;

(4) Procedural "accommodations" to "jury-rig" the package to work;

(5) Organizational cost issues, such as training and the cost to replace or convert associated user developed management information system servicing facilities supported under the present system; and,

(6) The cost of restructuring off-the-shelf documentation to support Federal FMS operations. Current vendor documentation must be extensively interpreted and modified for the Federal user.

Accomplishing the Financial Systems Modifications

Use of the evolutionary approach to achieve the objectives of FAMIS may require a longer development timeframe to meet 100% of

the DOJ requirements. However, subprojects will be established and accomplished faster than under the previous plan. Some of the initial objectives of this development approach include:

- o Addressing the most important deficiencies in the present financial systems;
- o Establishing a common technological environment;
- o Extending services to bureaus of certain functional modules; and,
- o Establishing guidelines to develop a revised schedule of present system enhancements with priorities reflecting needs of our users in a common development environment.

Resources under this approach will be applied on an as available basis; that is, after the needs of the day to day operations have been satisfied. Unfortunately, needs of daily operations vary immensely in the kind and number of resources required to address them. Thus, it is difficult to apply a sustained level of resources to any major development effort while continuing to support operational requirements. In order to make resources available for system enhancements, it may be necessary to eliminate all support activity for the operational systems except for remedial maintenance or for those enhancements directed by statute or regulation. We realize that this strategy will be extremely difficult to adhere to in the face of user requests for minor modifications to the operational systems. However, we have implemented a comprehensive automated project management system to ensure that all discretionary resources are applied to the objectives of OMB Circular A-127.

This approach affects the underlying development strategy in another way. Because fewer resources are available, the development must be approached in smaller "chunks". That is, in more finite functional increments. Each assignment must be successively reviewed every time a new function is completed. In a major system effort, such as the FAMIS project initiative, this time-consuming task requires significant management oversight.

The evolutionary development strategy possesses advantages other than lower up front costs. Because the tasks are lesser in magnitude and scope, they can be accomplished individually in a shorter time period. Operational implementation of completed

tasks can be initiated more quickly, with the corresponding benefits accruing to the organization more quickly. Implementation of new or improved system functional capabilities on a continuing basis tends to promote to users the view that the system plans are real, the results are tangible instead of theoretical, and the use of the changing system is an ongoing activity which successively addresses some of the major problem areas in systems replacement, that is, conversion and training.

This same strategy will also be used to develop the HRMIS project. To meet the HRMIS requirements, the Department will modify, enhance, and expand the scope of the existing payroll/personnel system using modern technology; i.e., commercial application generator packages and replacing third generation language code only where it is determined to be cost effective.

Migration to the DOJ Pilot

The previous plan (1985 FMS Plan) envisioned a sequenced migration of bureaus to the DOJ FMS over a number of years. This approach was based on the existence of a total operational DOJ pilot. Absent a total operational pilot, no scheduling estimates can be precise and any delays in achieving full implementation of the pilot will result in corresponding delays in migration schedules. Therefore, the Department is migrating certain components to the existing systems for particular FMS functions in advance of the availability of the functionally complete pilot. This will result in easier, more efficient, and cost-effective conversion to the single DOJ FMS.

805

UNITED STATES DEPARTMENT OF JUSTICE
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SEP 11 1986

Mr. William F. Madison
Regional Administrator
General Services Administration
7th & D Streets
Washington, DC 20407

Dear Mr. Madison:

I am writing concerning a critical space-related issue which was addressed in our recent Memorandum of Understanding. This issue is the urgent need for a replacement facility for the Department's Justice Data Center-Washington, which is presently housed in the Chester Arthur Building at 425 Eye Street, NW., Washington, DC. As I have previously written to you, and as we discussed in our recent meeting, the mechanical, electrical, and architectural limitations of the present building are rapidly rendering this facility incapable of functioning as a viable data center. We have been working with members of your Real Estate Division to identify a relocation site for the data center, with a permanent site in a government-owned building being the optimum solution for both of our agencies. Such a site, however, does not appear imminently available. In the interim, steps must be taken immediately to ensure that the Department's central data processing capability is maintained until the permanent site is ready.

As members of my staff have discussed with the management of your Real Estate Division, the Department is specifically requesting that the General Services Administration initiate the required actions to enter into a short-term lease for the Control Data Corporation (CDC) data center located on Seven Locks Road in Rockville, Maryland. The lease should be for five years, with a termination option after three years or a three year lease with two one-year options. Your Real Estate Division has estimated that such a lease will require four to six months to award. It is essential that the relocation of the Department's data center is effected at the earliest possible date, both to ensure the continuity of service to the Department's law enforcement organizations and to preclude the need to invest substantial capital resources into the Chester Arthur Building.

ATTACHMENT #1

My staff is prepared to begin working immediately with members of your staff to modify or supplement our space requirements package, forwarded to the Real Estate Division on May 12, 1986, to make it acceptable for the lease acquisition of the CDC site in Rockville. Your staff may call Philip M. Zeidner on 633-2948 to arrange for a planning meeting. Let me thank you for your assistance and cooperation on this high priority project, and for your invaluable and continuing assistance on the many critical space-related issues we are jointly pursuing at this time.

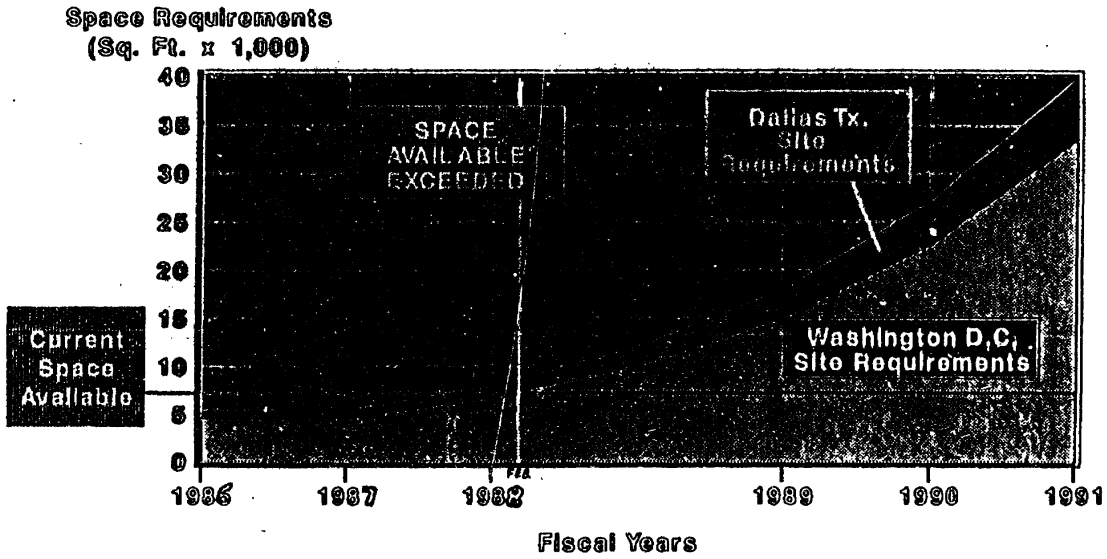
Sincerely,

/s/

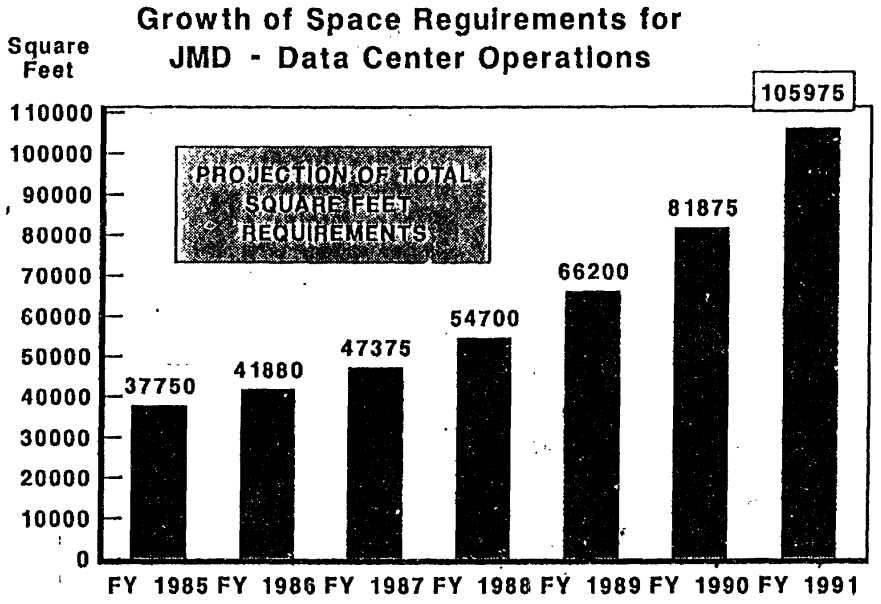
W. Lawrence Wallace
Assistant Attorney General
for Administration

Copies Furnished:
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Mr. Miller
Mr. Zeidner
Mr. Burrell
Mr. McElroy
Mr. Dwyer
Files
PMZ:BFB:KIM:DEDwyer:jd:633-4244:DEDTP2:(Madison):9/8/86:ald:Disk-Memos2;Relocation:pg.7-8:3/19/87

DISK STORAGE ADP CONDITIONED SPACE TO MEET USER ESTIMATED NEEDS



ATTACHMENT 2



ATTACHMENT 3

Facility Related Problems For The Existing
Justice Data Center-Washington (JDC-W)
In The Chester Arthur Building (CAB)

The CAB was designed and constructed as an office building, and as such does not have the necessary architectural characteristics for the construction of a state-of-the-art data center. The floor-to-ceiling height of 10 feet severely limits the height of the space under the raised floor. This condition causes the cables and piping to interfere with the flow of the chilled air required to cool the computer equipment. In addition, there is not enough raised floor to ceiling height within the data center room to allow the dissipation of heat ejected from the ADP equipment.

Additional CAB Disadvantages:

-- The CAB's architectural limitations will not allow the construction of an efficient state-of-the-art data center;

-- Arbitrary restrictions made by the building owner prevents the government from performing timely alterations and prevents placement of equipment in the most favorable penthouse and roof locations.

-- Increased rental costs beginning in FY 87 at the CAB.

-- The electrical feed to the computer room would require extensive upgrades to correct electrical code violations, upgrade its size, and add additional ground fault protection devices.

-- Amortization period for construction may require a longer term lease than OIT desires in this building;

-- The air conditioning system is showing signs of its age and breakdowns are occurring more frequently. Since there is not any back-up system, each air conditioning failure negatively impacts the data center's operations.

-- Architecturally, there is limited potential for further expansion.

-- Serious security problems exist in this building, both within the building and outside the building; (exagerated by D.C. Governments' presence in the CAB building.)

ATTACHMENT #4

-- Construction of the expansion space would inevitably cause repeated interruptions of JDC-W online operations.

For these reasons, OIT considers expansion of the CAB building to be an unrealistic measure and continues to seek a permanent relocation site for the JDC-W.

GOVERNMENT ESTIMATE FOR OPERATING EXPENSES DURING THE ACTUAL MOVE OF THE JDC-W FROM CAB TO THE NEW ROCKVILLE SITE (FY 87 FUNDS):

	ITEM	COST
1.	Transfer of six Amdahl CPU's	$250,000.
2.	Transfer of Vion disk drives	$250,000.
3.	Transfer STC storage devices	$150,000.
4.	Transfer of front-end processor by COMTEN	$200,000.
5.	New cables	$700,000.
6.	Transfer of IBM, 3M, Pillar converters, etc.	$200,000.
7.	Equipment redundancy costs	$175,000.
8.	Personnel moves	$ 75,000.
	Project Grand Total =	$2,000,000.

ATTACHMENT #5

Government Estimate For Upgrading and Altering
The Rockville CDC Site (Capital Expenses in FY 88)

I.	New Environmental Support Equipment	
	Furnish and install an additional 1,000 KVA rotary UPS system, complete, including 15 minute battery backup.	$500,000.
	Furnish and install four 1,000 KVA diesel generators, complete, including fuel tank and security enclosure.	$680,000.
II.	Renovations To Existing Facility	
	Remove the existing 18" raised floor system; install new 30" substructure pedestals and heads; reinstall the existing bolted stringer supports and 2'x 2' floor panels.	$400,000.
	. Extend A/C piping (drains, refrigerant, water), extend electric feed, extend alarm and control wiring.	$ 35,000.
	. Install new access ramps and steps.	$ 26,000.
	. Raise large fire doors and alarm wiring to new floor height.	$ 14,500.
	. Raise office entry doors.	$ 8,500.
	. Demolish office partitions mounted on existing floor.	$ 4,000.
	. Relocate under floor piping, alarms, electric feeds as needed.	$ 50,000.
	Add ground fault protection at all main breakers and at electrical branch circuit breakers.	$330,000.
	Replace air conditioner units which are determined to be beyond their useful life cycle or are inefficient.	$105,000.

ATTACHMENT #6

Convert pneumatic A/C controls to electronic controls.	$ 18,000.
Reconfigure existing offices as needed.	$ 60,000.
III. Planning	
Architectural and electrical concept study.	$ 50,000.
Renovation design (architectural, mechanical, electrical, plumbing, structural).	$ 50,000.
"GSA" administration, inspections, and construction management fees.	$100,000.
IV. Telecommunications	
Equipment and installation of the Justice Telecommunications Network for Network Control Center and Management Facility.	$600,000.
Site preparation for Network Control Center.	$150,000.
Additional front-end Comten 3690 and message switch.	$150,000.
Parallel communication facility with custom switch arrangement for transition.	$100,000.
V. Security	
Security access control system.	$159,000.
Environmental, fire/safety, and central security monitoring system.	$410,000.
Project Grand total =	$4,000,000.

Justice Computer Service
Justification For Rockville Site Enhancements

The proposed Rockville location for the Justice Computer Service (JCS) currently houses a high quality, commercial data center, which offers significant improvements to the Department's existing facility. Nonetheless, there will be a number of enhancements required to improve reliability, enabling the data center to support the life and property systems of the Department of Justice's law enforcement mission which requires a data center that can operate without failures, 24 hours-a-day, 7 days-a-week.

The Rockville location has a 3200 KVA uninterruptable power supply (UPS) system which should be expanded to a 4200 KVA system. The UPS system filters out electrical impurities generated by the utility company and provides clean, steady current to the highly sensitive computer equipment. The UPS system also has backup batteries that will provide temporary electricity for 10 minutes in the event of a power outage. The battery backup either allows time for an orderly shut down of the data center without the loss of data or provides electrical power to the data center until (optional) diesel generators are started and reach the optimum RPM's to generate the necessary electricity.

In order to guarantee data center availability for power outages in excess of 10 minutes, it is necessary to obtain and install diesel powered generators to provide electricity for the central processing units and their peripheral equipment, teleprocessing equipment, air conditioning, lighting and other environmental support facilities. The necessary electrical switch gear, diesel fuel storage tanks, enclosure to house the equipment and other requirements to operate this backup source of electrical power will have to be procured and installed. The diesel generators are critically needed to ensure that the data center is not affected by lengthy utility related outages similar to an 8 hour outage on February 23, 1987, caused by downed power lines and adverse weather conditions.

The existing height of the raised floor is only 18 inches above the concrete floor of the building. This space is not sufficient to house the necessary cables, conduit, connectors, water lines for air conditioning (A/C) units, and the under floor air supply plenum (duct) which are required to operate a facility of this size and complexity. In 18" raised floor applications, large bundles of data cables, electrical wiring, telephone connections, and A/C piping must be installed on top of each other in several key areas of the data center, creating an 18" solid mass which leaves no room for the under floor air plenum.

For these reasons a 30" raised floor is the optimum solution that will allow up to 18" of cabling, etc., and still provide adequate room for air distribution via the remaining 12" under floor air plenum space. Raising the floor from the existing 18" height to the optimum 30" height will involve raising the floor another 12 inches, necessitating new floor supports, extending plumbing and electrical connections on the floor mounted A/C units, the modification of entrances to the area and moving electrical, telephone and other utility items that may be on pillars and walls.

The electrical feeders that provide power to the building are properly sized to serve our current and future electrical needs. However, the Department's experiences have shown that optional ground fault protection must be installed at numerous points in the electrical distribution system to isolate defective equipment and prevent it from disrupting the power distribution to the balance of the data center's critical operations.

In fiscal year (FY) 1988, the Department will establish a Justice Telecommunications Network (JTN) consisting of a node and network control facility at the Rockville, Maryland site. The project will entail planning, site preparation, training, and equipment acquisition for the node, network control, and message switching devices. In addition, we will fund a special switching arrangement from the telephone company to provide the capability to instantaneously switch from the new site back to the existing Chester Arthur Building network control for back-up. Once a successful cutover is made, the switching arrangement will be discontinued. Based on our current planning, six months of maintenance will be required between March and September of 1988.

As recommended in the Justice Management Divisions Audit Report on ADP Security and in the MITRE study of our current security program, a comprehensive security program is needed to protect sensitive data from unauthorized access. In order to regulate physical access into the data center an access control security system must be installed that would include a microprocessor, photographic equipment, card readers, etc. to ensure that only authorized personnel are permitted to enter. Additionally, monitoring systems must be installed to monitor and control environmental, fire/life/safety, and central security concerns.

In addition to the previously listed items, there are always modifications that a new tenant requires in a building. Among expected modifications are; office realignment and construction, telephone and data cable installations, and other changes that will be discovered only after a closer evaluation by the technical staff of what is actually available.

FEES AND EXPENSES OF WITNESSES

Mr. SMITH. We will now hear testimony concerning the Fees and Expenses of Witnesses appropriation.

[The justification follows:]

DEPARTMENT OF JUSTICE

Legal Activities

Fees and Expenses of Witnesses

Estimates for Fiscal Year 1988

Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes in Appropriation Language	2
Crosswalk of 1987 Changes	3
Summary of Requirements	4
Justification of Program and Performance	5
Priority Rankings	9
Justification of Adjustments to Base	10
Summary of Requirements by Object Class	11

Fees and Expenses of Witnesses

Summary Statement

Fiscal Year 1988

For the Fees and Expenses of Witnesses appropriation, the Department is requesting a total of $37,359,000 for 1988, all of which shall remain available until expended. This request represents a decrease of $14,828,000 from the 1987 appropriation anticipated. This decrease reflects the proposed transfer of the Protection of Witnesses activity to "Salaries and expenses, U.S. Marshal Service".

The purpose of the Fees and Expenses of Witnesses appropriation is to pay the fees and expenses of witnesses: (1) who appear on behalf of the government in all cases in which the United States is a party; (2) who are appointed by the Court under Rule 706 of the Federal Rules of Evidence; and, (3) who are called to present factual testimony on behalf of Court-designated indigent criminal defendants. In addition, this appropriation pays compensation to individuals victimized by persons provided protection under the Witness Security Program. This appropriation also pays fees to physicians and psychiatrists who, upon order of the court, conduct mental competency examinations to determine if accused individuals are mentally competent to stand trial and/or were mentally competent at the time of the offense.

The Fees and Expenses of Witnesses appropriation contains two budget activities: Fees and Expenses of Witnesses and the Victim Compensation Fund.

1. Fees and Expenses of Witnesses: Resources provided for this activity are used to pay all fees and expenses associated with the provision of testimony on behalf of the Government. Specifically, there are two types of witnesses that are compensated under this activity. Fact witnesses testify as to events or facts about which they have personal knowledge. These witnesses are paid a statutorily established rate of $30 per day plus reasonable amounts for travel and certain other costs associated with their appearance. Expert witnesses provide technical or scientific testimony and are compensated based on negotiations with the government attorney who is responsible for the case. Also, this activity pays the fees of physicians and psychiatrists who examine accused persons upon order of the court to determine their mental competency. An increase of $1,500,000 is requested for this activity. The legal divisions and the U.S. Attorneys are requiring a greater number of expert witnesses as a result of significant increases in the number of cases presented and the degree of complexity involved.

2. Victim Compensation Fund: Section 1208 of the Comprehensive Crime Control Act (Title II of P.L. 98-473) established a Victim Compensation Fund (18 U.S.C. 3525). The Fund is used by the Attorney General to "pay restitution to, or in the case of death, compensation for the death of any victim of a crime that causes or threatens death or serious bodily injury and that is committed by any person during a period in which that person is provided protection under this chapter." In the case of death, an amount not to exceed $50,000 may be paid to the victim's estate. Moreover, the act authorizes payment of an amount not to exceed $25,000 to the estate of any individual whose death was caused by a protected witness before the enactment of this law.

Fees and Expenses of Witnesses

Justification of Proposed Language Changes in Appropriation Language

The 1988 budget estimates include the proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Fees and Expenses of Witnesses

For expenses, mileage, compensation, and per diems of witnesses and for per diems in lieu of subsistence, as authorized by law, including advances; [$52,187,000], to remain available until expended.[, of which not to exceed $550,000 may be made available for the planning, construction, renovation, maintenance, remodeling, and repair of buildings and the purchase of equipment incident thereto for protected witness safesites]. $37,359,000

(5 U.S.C. 503(b), 5537, 5751; 18 U.S.C. 3495-96, 3525, 4203, 4241, 4242; 28 U.S.C. 524, 1783, 1821, 1825, 1915, 1922; 31 U.S.C. 3324; Department of Justice Appropriation Act, 1987, as included in Public Laws 99-500 and 99-591 section 101(b).

Explanation of Changes

The language change identifies a transfer of language concerning safesite facilities to "Salaries and expenses, U.S. Marshals Service", along with the funding for the Protection of Witnesses budget activity.

72-195 O-87——11

Legal Activities

Fees and Expenses of Witnesses

Crosswalk of 1987 Changes
(In thousands of dollars)

Budget Activity	1987 President's Budget Request	Congressional Appropration Actions on 1987 Request	Reprogrammings	1987 as Enacted
1. Fees and expenses of witnesses...	...	...	$34,101	$34,101
2. Fact witnesses.....	$17,818	...	-17,818	...
3. Protection of witnesses.....	...	$17,511	...	17,511
4. Expert witnesses.....	16,382	...	-16,382	...
5. Mental competency examinations...	301	...	-301	...
6. Victim compensation fund.....	575	...	...	575
Total.....	34,676	17,511	...	52,187

Congressional Appropriation Action

The Congress denied the Department's 1987 proposal to transfer the Protection of Witnesses activity to "Salaries and expenses, U.S. Marshals Service".

Reprogrammings

The reprogramming reflects the consolidation of three similar-in-nature budget activities into one distinct activity. Fact Witnesses, Expert Witnesses and Mental Competency Examinations are combined in Fees and Expenses of Witnesses. The appropriate reprogramming notification was submitted to the Congress on December 8, 1986.

Legal Activities

Fees and Expenses of Witnesses

Summary of Requirements
(In thousands of dollars)

Adjustments to base	Amount
Department of Justice Appropriations Act, 1987	$52,187
Transfer of Protected Witnesses activity to the U.S. Marshals Service	-17,511
Uncontrollable increases	983
1988 Base	35,659

Estimates by budget activity	1986 Enacted	1986 Actual	1987 as Enacted	1988 Base	1988 Estimate	Increase/ Decrease
1. Fees and Expenses of Witnesses	...	...	$34,101	$35,084	$36,584	$1,500
2. Fact Witnesses	$16,522	$14,612	...	...	...	...
3. Expert witnesses	14,391	15,710	...	...	...	...
4. Protection of Witnesses	13,623	13,029	17,511	... 1/	...	...
5. Mental Competency Examinations	276	197	...	...	...	...
6. Victim Compensation Fund	550	275	575	575	775	200
Total	45,362	43,823	52,187	35,659	37,359	1,700

1/Funding for this budget activity is proposed for transfer to the appropriation, "Salaries and expenses, U.S. Marshals Service" in fiscal year 1988.

Legal Activities

Fees and Expenses of Witnesses

Justification of Program and Performance

Activity Resource Summary
(In thousands of dollars)

	1987 Enacted	1988 Base	1988 Estimate	Increase/Decrease
Activity: Fees and Expenses of Witnesses	$34,101	$35,084	$36,584	$1,500

Long-Range Goal. To provide funding for payment of fees and related expenses incurred by those individuals who provide factual, technical or scientific testimony on behalf of the United States or court designated indigents, as provided by law. Funds provided for this activity also guarantee the right of accused persons to a fair and impartial trial by ensuring that the accused is mentally competent to stand trial and that the court has testimony regarding the mental competency of the accused at the time of the offense.

Major Objectives.

1. To provide an adequate number of expert witnesses for the United States when legal proceedings require testimony of a scientific or technical nature.

2. To provide reasonable compensation for expert witnesses at rates established by the Attorney General or the Assistant Attorney General for Administration, pursuant to 28 U.S.C. 524.

3. To provide adequate resources to compensate fact witnesses who testify on behalf of the government for the expenses associated with attendance at legal proceedings. The court-attendance fee paid to fact witnesses is set by law (28 U.S.C. 1821). As a result of Public Law 96-346 (September 10, 1980), the amounts authorized for travel, per diem and mileage are set by regulations governing official travel by federal employees and promulgated by the Administrator of the General Services Administration.

4. To provide adequate resources to compensate fact witnesses utilized by those defendants designated as indigent by the courts. Expenses are paid to those witnesses who appear in criminal proceedings in federal court for the indigent defendants.

5. To provide for the fees and expenses of physicians or psychiatrists who perform court-ordered examinations to determine the mental competency of an accused person, pursuant to 18 U.S.C. 4241 and 4242.

Base Program Description. This program provides for payment of fees and expenses of expert witnesses who appear on behalf of the government when scientific or technical expertise is required in the prosecution or defense of a case. The pursuit of complex litigation by the Department would not be possible without qualified experts to testify and to refute the non-legal particulars of individual cases. The testimony of expert witnesses is essential to the successful outcome of such litigation. While a wide array of specialized disciplines are involved in the Department's litigation, experts from certain disciplines are utilized extensively. For example, approximately sixty percent of expert witnesses used by the Department in 1986 were either physicians, psychiatrists, appraisers, engineers, or economists. Also, the testimony of fact witnesses is used in court proceedings by the Department's legal divisions and the U.S. Attorneys. Fact witnesses are used primarily in criminal proceedings where the defendant is accused of violating federal law. Fees and expenses paid to witnesses are intended to defray the costs of appearing to testify and are set by law and/or regulation. Further, the importance of this program is underlined by the need to protect the rights of accused individuals. Courts often order the government to pay the costs associated with competency examinations conducted by physicians or psychiatrists. These examinations are performed in an attempt to determine whether an accused person is mentally competent to stand trial and/or was mentally competent at the time of the offense.

Accomplishments. This activity provided sufficient funds to allow adequate testimony on behalf of the U.S. Government by fact and expert witnesses. This activity also provided sufficient funds to ensure the protection of the rights of accused individuals through the performance of mental competency examinations.

Program Changes.

This level of funding will provide sufficient resources to enable the litigating organizations within the Department to utilize the services of an increased number of expert witnesses to testify on behalf of the government. The need to use expert witnesses has grown steadily in recent years. This growth is projected to increase further in 1988.

A major reason for the projected increase in the use of expert witnesses is the increasing number of cases involving complex and technical issues. Opposing parties continue to employ expert witnesses having access to highly sophisticated techniques of data collection and analysis. To counter the testimony of these individuals effectively, government attorneys must have the ability to hire competent expert witnesses to support their position. The costs of collecting the information used as testimony have accelerated rapidly. These increased costs, as well as competition for highly qualified expert witnesses, have led to a steady increase in the fees charged by such experts in recent years and correlates to the increased complexity of the Department's caseload.

Funding at the requested level will allow the government to utilize the vital resources provided by expert witnesses in an effort to enforce the laws of the United States and to defend the government in lawsuits brought against it.

The following chart represents estimated 1987 and 1988 resource requirements by organization, as well as actual 1986 obligations.

Expert Witness Requirements -- by Organization
(In thousands of dollars)

Organization	1985	1986	1987	1988
U.S. Attorneys	$4,936	$4,506	$5,047	$5,246
Land and Natural Resources Division	2,781	4,211	4,700	4,901
Civil Division	2,600	3,629	3,688	4,224
Tax Division	1,502	1,611	1,332	1,875
Civil Rights Division	917	1,149	1,100	1,337
Antitrust Division	238	244	290	284
Criminal Division	156	360	225	419
Total	13,130	15,710	16,382	18,286

Note: Amounts shown for 1987 and 1988 indicate the growing demand of the various user organizations on expert witness resources. The Department realizes that certain budget constraints will be needed to remain within funding limitations already established for 1987.

	1987 as Enacted	1988 Base	1988 Estimate	Increase/Decrease
Activity: Victim Compensation Fund	$575	$575	$775	$200

Long-Range Goal. To pay restitution, or in the case of death compensation for the death, to any victim of a crime that causes or threatens death or serious bodily injury that is committed by a protected witness.

Major Objectives:

To provide compensation to those individuals, or, in the case of death, to the individual's estate, who are victimized by a protected witness, as authorized by Section 1208 of the Comprehensive Crime Control Act of 1984 (Title II of P.L. 98-473), enacted October 12, 1984.

Base Program Description. This program provides resources to compensate individuals who are victimized by a protected witness. The Fund was established in 1985 with funds provided in the 1985 Supplemental Appropriations Act (P.L. 99-88) and is authorized to be appropriated $1,000,000 annually to make payments to victims of crimes committed by a protected witness. The Department currently estimates eligible claims will fall short of the $1,000,000 authorized in 1988.

Restitution will not exceed $50,000 for those victimized since the establishment of the Fund. Restitution not to exceed $25,000 shall be paid to the estate of victims killed as a result of crimes committed by persons who have been enrolled in the Witness Security Program if such crimes were committed prior to enactment of P.L. 98-473.

Accomplishments. The Department has provided adequate compensation to those victims who have been identified, submitted appropriate claim information, and were found eligible to receive benefits.

The Criminal Division has promulgated guidelines for identifying and notifying potential claimants, reviewing the claims, and making payments from the fund.

Program Changes: The Criminal Division has indicated that there will be an increase in the number of eligible claims against this Fund. The requested level of funding will allow the Department to process those additional claims, as well as pay those compensable claims submitted in prior years.

Legal Activities

Fees and Expenses of Witnesses

Priority Rankings

Base Program	
Program	Ranking
Fees and Expenses of Witnesses	1
Victim Compensation Fund	2

Program Changes	
Program	Ranking
Fees and Expenses of Witnesses	1
Victim Compensation Fund	2

Legal Activities

Fees and Expenses of Witnesses

Justification of Adjustments to Base
(In thousands of dollars)

Transfers to and from other accounts:	Amount
1. Transfer to U.S. Marshals Service..... This represents the proposed transfer of the Protection of Witnesses activity to "Salaries and expenses, U.S. Marshals Service".	-$17,511
Uncontrollable increases:	
1. Locality based per diem..... Public Law 99-234 authorized a new locality based per diem and lifted the $75.00 ceiling in certain geographic areas. An uncontrollable increase of $458,000 is requested to meet the expected increase in total travel requirements.	458
2. General pricing level adjustment..... This request applies OMB pricing guidance as of December 1986 to selected expense categories. The increased costs identified result from applying a factor of 3.5 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.	525
Total uncontrollable increases.....	983
Total adjustments to base.....	-$16,528

Legal Activities

Fees and Expenses of Witnesses

Summary of Requirements by Object Class
(In thousands of dollars)

Object Class	1987 Estimate	1988 Estimate	Increase/Decrease
11.8 Special personal services payments	$39,367	$23,413	-$15,954
21.0 Travel and transportation of persons	12,578	13,121	543
25.0 Other Services	50	50	...
42.0 Insurance claims and indemnities	579	775	196
Total obligations	52,574	37,359	-15,215
Unobligated balance, start of year	-1,387	-1,000	387
Unobligated balance, end-of-year	1,000	1,000	...
Total requirements	52,187	37,359	-14,828
Relation of obligations to outlays:			
Receivables in excess of obligations	-138	...	
Obligated balance, start-of-year	12,332	15,190	
Obligated balance, end-of-year	-15,190	-15,937	
Outlays	49,578	36,612	

OPENING STATEMENT

Mr. SMITH. Mr. Flickinger will continue to testify on behalf of this appropriation. Do you have a statement?

[The prepared statement of Mr. Flickinger follows:]

DEPARTMENT OF JUSTICE

FEES AND EXPENSES OF WITNESSES

STATEMENT OF THE ACTING ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION, HARRY H. FLICKINGER BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am also pleased to appear before you in support of the 1988 budget request for the Fees and Expenses of Witnesses appropriation. This appropriation is used by all of the Department's litigating organizations for the payment of fees and expenses of fact and expert witnesses, and for the payment of expenses associated with mental competency examinations. Through the end of 1987, the appropriation will also be used by the U.S. Marshals Service to pay the expenses associated with the protection of witnesses and their dependents. The 1988 request for the appropriation is $37,359,000, a decrease of $14,828,000 below the 1987 appropriation of $52,187,000.

The 1988 request includes a program increase of $1,500,000 for the Fees and Expenses of Witnesses activity. This activity is the result of a previously approved reprogramming which consolidated the Expert Witnesses, Fact Witnesses and Mental Competency Examination activities. Notification of the reprogramming was transmitted to members of the appropriations committee in December 1986. The additional resources will allow the Department's front-line attorneys to make greater use of the valuable testimony provided by expert witnesses. The costs of expert witness testimony have increased due to the increased

volume of cases, involving complex issues, which are approaching the trial phase. For the Victim Compensation Fund, the Department requests an additional $200,000. Criminal Division estimates indicate that by 1988, approximately $1,000,000 will be required to pay the costs of claims against the Fund. Although a portion of the anticipated claims could be liquidated with prior-year carryover funding, we require a small enhancement to be able to pay all anticipated claims.

The 1988 request also reflects the transfer of the Protection of Witnesses activity to the "Salaries and expenses, U.S. Marshals Service" appropriation. This represents a reduction of $17,511,000 to the appropriation. The Department also proposed this transfer in the 1987 budget request. This transfer is designed to bring together in one appropriation the two budget activities which comprise the protected witness program. Like the two sides of a coin, the Witness Security and Protection of Witnesses activities should be maintained in the same appropriation to ensure that full and equal consideration is given to these highly integrated activities. There is little of a policy or program management nature which will affect one aspect of the program without affecting the other. However, with these two activities assigned to different appropriations, there is a significant risk that important policy or program decisions will be applied to one side of this coin while ignoring the other.

In addition, there are significant differences between the Protection of Witnesses activity and the other witness activities

in the Fees and Expenses of Witnesses appropriation. Unlike fact or expert witness funding, a majority of the funding in the Protection of Witnesses activity is not spent on court attendance or the preparation or delivery of testimony in court. It is spent on relocations, living expenses, facility renovations, etc. Also, a significant portion of the costs are not spent on witnesses but rather on witnesses' dependants. Finally, the costs incurred under the Protection of Witnesses activity are both more predictable and more controllable than the costs incurred in preparing and delivering testimony. Most fact and expert witness rates and costs are determined by external factors and, therefore, are largely uncontrollable to the Department. However, the Department has significant discretion regarding the number of participants in the protected witness program, the rates at which allowances will be paid, and the need to incur costs. Thus, there is little merit in retaining the Protection of Witnesses activity in the Fees and Expenses of Witnesses appropriation.

The Department realizes that if this proposal is approved, the recently enacted no-year funding authority would be lost to the Protection of Witnesses program. The potential loss of such authority should not be viewed as a reason to deny this proposal. For the reasons stated earlier, the Department does not believe that no-year treatment is as important for the Protection of Witnesses activity as it is for other activities within the Fees and Expenses of Witnesses appropriation. In fact, both the 1987 and 1988 budget requests for the Department drop the no-year

treatment for Protection of Witnesses funding. Thus, we do not believe this should be a factor in deciding this issue.

TRANSFER OF PROTECTION OF WITNESSES

Mr. FLICKINGER. Briefly, Mr. Chairman the total request for 1988 for the Fees and Expenses of Witnesses appropriation is $37,359,000. This represents a decrease of $14,828,000 from the 1987 level of $52,187,000. The major substantive issue here, is our proposal to transfer the protection of witnesses activity money—that amounts to some $17,511,000—to the U.S. Marshals Service. The rationale is that we have two different budget activities and two different locations in the Department dealing with essentially the same program. The Marshals Service, as you know, is responsible for the protection of witnesses' security program, and yet we have a major portion of the expenses for that program coming out of Fees and Expenses of Witnesses. We would like to merge those two activities under the U.S. Marshals Service Appropriation.

Mr. SMITH. The Marshals tell us some people don't want to be in their program.

Mr. FLICKINGER. I am not aware of that.

Mr. SMITH. Maybe it was the FBI we discussed that with? Some people have good, personal reasons why they do not want to be protected by one Department or another. You don't save any money by doing this, though?

Mr. FLICKINGER. No, sir. It is a matter of trying to put order into what is what we believe now to be a bifurcation of similar activities.

Mr. SMITH. Does it change personnel or anything else?

Mr. FLICKINGER. No, sir.

Mr. SMITH. Just a bookkeeping thing?

Mr. FLICKINGER. Correct.

Mr. SMITH. And you've got a request for $1.5 million for Fees and Expenses, an increase?

Mr. FLICKINGER. Yes, sir, there is some increase in there.

Mr. SMITH. That is not nearly as big an increase as there was from 1986 to 1987, is it? What do you base that estimate on?

Mr. FLICKINGER. Do you recall that increase last year?

Mr. ROPER. I don't recall the exact increase, but you remember, sir, this account, with your help, was made a no-year account, and that has reduced the need for program increases this year. In 1986, which was the first year that we had the no-year authority, we were able to carry forward approximately $1.3 million.

Mr. SMITH. I see. That does not, then, reflect necessarily the level of outlays?

Ms. CURTIS. Yes, you are correct.

Mr. FLICKINGER. If I might add, Mr. Chairman, the fact that the protection of witnesses funds are now available on a no-year basis should not be viewed negatively in terms of transferring that activity over to the Marshals Service appropriation. The protection of witnesses fund is a much more predictable account. It is possible to project with accuracy what the financial needs are going to be, unlike the remaining activities within the Fees and Expenses of Witnesses appropriation where you are at the mercy of case situations.

VICTIMS COMPENSATION

Mr. SMITH. Tell us about the Victims Compensation Fund. You are predicting a substantial change or difference in the requirements there?

Mr. FLICKINGER. The victims compensation?

Mr. SMITH. Yes. What is that based on, or is that just a guess?

Mr. ROPER. No, sir. You know, the Victims Compensation Fund, this particular one, was enacted as part of the Comprehensive Crime Control Act of 1984, so we are only now into the third year of operation and we have established regulations and procedures to be able to identify potential victims of protected witnesses. We believe now that the numbers of awards that may go out will be greater. The fund was originally authorized up to a million dollars, and I believe, with this request, we would be near that level in 1988. The awards have been increasing now as the program has gained some experience.

Mr. SMITH. This is just a projection, then, of what you think the demand will be?

Mr. FLICKINGER. Yes, sir. This is difficult to predict.

Mr. SMITH. Thank you.

Mr. FLICKINGER. All right, sir. Thank you very much.

[A question and answer for the record follows:]

QUESTION FROM MR. EARLY

FEES AND EXPENSES OF WITNESSES

Victim Compensation

Question:

In 1986 you obligated only $275,000 for the Victims Compensation Fund. You are projecting obligations of $575,000 for 1987. What are your obligations to date for 1987 and do you still believe you will obligate the full $575,000?

Answer:

To date, the Department has paid one claim against the Fund for 1987 in the amount of $3,162. As of March 22, there were 44 claims pending against the Fund that could potentially be paid during this fiscal year. Twenty-one of the pending claims are either pre-statute filings or claims received in 1985 and 1986. These are currently awaiting background information from the U.S. Marshals Service. We believe that final determinations and payments could be made on these prior year claims this year. The total amount of the payments would be approximately $315,000. The remaining 23 claims are active cases in which information is currently being collected from local law enforcement agencies. Due to the current backlog of prior-year cases, it is unlikely that all of these current claims will be processed this year, however, we anticipate the total amount of these claims to be approximately $230,000.

TUESDAY, MARCH 17, 1987.

UNITED STATES PAROLE COMMISSION

WITNESSES

BENJAMIN F. BAER, CHAIRMAN

ELIZABETH A. CLARK, DIRECTOR, ADMINISTRATION AND PERSONNEL MANAGEMENT

ROBERT N. FORD, COMPTROLLER

MICHAEL J. ROPER, DEPUTY COMPTROLLER FOR BUDGET

U.S. PAROLE COMMISSION JUSTIFICATION

Mr. EARLY [presiding]. We will continue with our review of the Department of Justice, and now hear testimony from the United States Parole Commission. The Commission requests $12,253,000 in fiscal year 1988, a 16 percent increase over fiscal year 1987 amounts. We will insert in the record at this point the Commission's fiscal year 1988 budget justifications.

[The justifications follow:]

Department of Justice

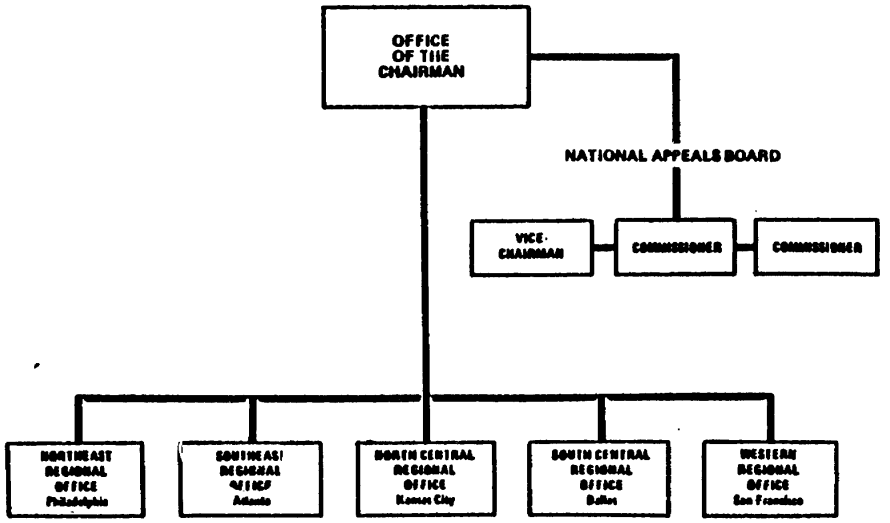
U.S. Parole Commission

Estimates for Fiscal Year 1988

Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes to the Appropriation Language	3
Crosswalk of 1987 Changes	4
Summary of Requirements	5
Justification of Program and Performance	6
Financial Analysis - Program Changes	12
Detail of Permanent Positions by Category	13
Summary of Adjustments to Base	14
Justification of Adjustments to Base	15
Summary of Requirements by Grade and Object Class	19

U.S. PAROLE COMMISSION



Approved: B. F. Baer Date: 4-5-84

Benjamin F. Baer
Chairman

U.S. Parole Commission

Salaries and expenses

Summary Statement

Fiscal Year 1988

The United States Parole Commission is requesting, for 1988, a total of $12,253,000, 179 permanent positions and 176 workyears. This represents an increase of $1,714,000 over the 1987 appropriation anticipated of $10,539,000.

The United States Board of Parole was created by Congress in 1930. The Parole Commission and Reorganization Act of 1976 (Public Law 94-233, effective 5/14/76) retitled the agency as the United States Parole Commission. Placed within the Department of Justice for administrative purposes, the Commission is an agency with independent decisionmaking powers set forth by statute. The Commission has parole jurisdiction over all eligible Federal prisoners, wherever confined, and continuing jurisdiction over those who are released on parole or as if on parole (mandatory release).

National parole policy is reviewed by formal Commission deliberation at least quarterly. This continual study and review is designed to monitor and refine parole practices throughout the Federal system.

On a cooperative basis, the Commission uses the services of staff employed by the Federal Prison System, who are assigned to the correctional institutions throughout the nation. The staff prepares classification summaries, progress reports, and other reports concerning parole applicants.

Field supervision of released prisoners is provided by U.S. Probation Officers, who are employed by the U.S. Probation Service in the Administrative Office of the U.S. Courts. According to statute, they function as "parole officers" for Federal prisoners. Reports concerning the adjustment of parolees and mandatory releasees are prepared by those officers and submitted to the Commission.

As part of the Comprehensive Crime Control Act of 1984 (Public Law 98-473), the United States Sentencing Commission was established to develop and issue comprehensive guidelines for federal cases. As a result of this, the current federal parole system is scheduled to be phased out. Because the Sentencing Commission was not appointed until October 1985, an extension for when the sentencing guidelines will go into effect has been enacted. The guidelines are now scheduled not to go into effect before November 1987. The Parole Commission anticipates its workload will not begin to diminish until late 1988. Abolishment of the Commission will not occur until the fall of 1992.

U.S. Parole Commission

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1988 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For necessary expenses of the United States Parole Commission, as authorized by law; [$10,300,000] $12,253,000.

[18 U.S.C. 4202-04, 4212, 4255, 5005, 5041; Department of Justice Appropriation Act, 1987 as included in Public Laws 99-500 and 99-591, section 101(b); additional authorizing legislation to be proposed.]

Explanation of changes:

No substantive changes proposed.

U.S. Parole Commission

Salaries and expenses

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			Reprogrammings			1987 Supplementals Requested				1987 Appropriation Anticipated		
										Program			Pay &			
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	PERS	Pos.	WY	Amt.
1. Parole.....	175	176	$10,420	4	...	-$120	...	...	...	...	...	...	$239	179	176	$10,539

Congressional Appropriation Actions

Congress increased the Commission's full-time permanant positions by 4 and $180,000 to help the Commission handle its increased workload. This was more than offset by a $300,000 reduction which continued many of the reductions to the base imposed by the Balanced Budget and Emergency Deficit Control Act of 1985 and made cuts in some of the uncontrollable increases requested.

Supplementals Requested

The supplemental request of $155,000 provides for the additional costs in 1987 necessary to implement the Federal Employees' Retirement System Act of 1986, P.L. 99-335. The pay supplemental request provides $84,000 to meet 50% of the increased pay requirements effective January 4, 1987.

U.S. Parole Commission

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	179	176	$10,300
1987 Pay and retirement supplementals requested	...	...	239
1987 appropriation anticipated	179	176	10,539
Transfer of Financial and Administrative System Support Group from General Administration	...	...	4
Uncontrollable increases	...	...	1,134
Decreases	...	...	-24
1988 Base	179	176	11,653

Estimate by budget activity/program	1986 Enacted Perm. Pos.	WY	Amount	1986 Actual Perm. Pos.	WY	Amount	1987 Appropriation Anticipated Perm. Pos.	WY	Amount	1988 Base Perm. Pos.	WY	Amount	1988 Estimate Perm. Pos.	WY	Amount	Increase/Decrease Perm. Pos.	WY	Amount
Parole	175	176	$9,379	175	162	$9,215	179	176	$10,539	179	176	$11,653	179	176	$12,253	...	...	$600

U.S. Parole Commission

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity:	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Parole.....	179	176	$10,539	179	176	$11,653	179	176	$12,253	...	...	$600

Long Range Goal: To make decisions relative to grants and denials of parole, conditions of parole, supervision of parolees and mandatory releasees, recommittal in event of violation of conditions of supervision, and termination of supervision as outlined in the Parole Commission and Reorganization Act of 1976.

Major Objectives:

- To establish, with the aid of statistical data, a national paroling policy and promote the consistent exercise of discretion in the paroling process, including the development and application of specific guidelines for decisionmaking so that the duration of terms of imprisonment throughout the Federal system will be equitable for those prisoners over whom the Commission has jurisdiction.
- To make fair decisions regarding the grant or denial of parole which are fair to the prisoners and which adequately protect the public welfare, within specific time requirements for decisions established by law.
- To provide forceful supervision for released parolees and mandatory releasees to enhance community protection and the rehabilitation of such released offenders.
- To promptly modify or revoke the parole or mandatory release of any individual who violates the conditions of release.

Base Program Description:

The Parole Commission and Reorganization Act provides for nine Commissioners, appointed by the President with the advice and consent of the Senate. One Commissioner is designated as Chairman. Each of the five Regional Offices of the Commission is under the supervision of a Commissioner, and three Commissioners comprise a National Appeals Board in Chevy Chase, Maryland. Hearing examiners working out of the regional offices, interview prisoners eligible for parole and make recommendations to the Commissioners. These hearings are conducted by examiner panels at all Federal prisons on a bi-monthly schedule. Examiners also conduct revocation hearings at state and local facilities, as required. Summaries of the hearings are recorded and then transcribed and sent to the Regional Office for the initial review and decision of a Commissioner.

An appeal system is in effect to permit review of parole decisions. Decisions on appeal at the National Appeals Board must be completed within 60 days.

Professional level personnel in the area offices coordinate the work with the Federal Prison System institutions and the probation officers attached to each United States District Court.

An ongoing research program is conducted in areas related to parole and information and guidance is provided to state parole boards, criminal justice agencies, and others interested in improving the criminal justice process.

Research projects include:

1. Development of methods for increasing hearing panel reliability in guideline assessments.

2. Refinement of the offense severity and salient factor score scales used by the Commission.

3. Development and implementation of a parole Decision Recording and Monitoring System for automated data processing of offender information and office automation.

4. Evaluating the Reparative Work Project in which parole dates are advanced for up to 60 days for selected inmates who complete 400 hours of unpaid community service.

5. Maintaining the Curfew Release Program in which inmates, at the request of the Bureau of Prisons, have their parole date advanced up to 60 days but are required to remain in their homes under curfew during the night.

6. Conducting an evaluation of parole supervision practices.

The General Counsel's office advises the Commissioners and staff on interpretation of the agency's enabling statutes and policy, drafts implementing rules and regulations, and assists U. S. Attorneys offices in defending the Commission against lawsuits brought by prisoners and parolees. The office is also a resource for staff on problems involving the processing of requests for information under the Privacy Act of 1974, as amended in 1975. The Counsel's office responds directly to requests submitted under the Freedom of Information Act. Finally, the General Counsel staff has responsibility for analyzing applications for exemption from prohibitions imposed by Federal law against persons who have been convicted of certain crimes from occupying labor union, management, or pension fund positions, and ensuring that the hearings under the Administrative Procedures Act are properly conducted.

The Commission's legal staff also participates with the State Department and other units of the Department of Justice on various phases of the development of treaties and implementing legislation for the exchange of prisoners with other countries.

The Commission's Case Management and Training Section gives functional supervision to regional hearing examiners and analysts. It provides quality control of case decisions, coordinates the training program, and develops procedures to implement Commission policy including a comprehensive manual.

Accomplishments:

1. A total 24,223 individual decisions regarding the grant, denial, or revocation of parole, as required by statute, were made during 1986.

2. A total 4,854 National Appeals Board considerations were made during 1986 as required by statute.

3. Supervision was provided to 27,283 parolees, special parolees and mandatory releasees from October 1, 1985 to September 30, 1986.

4. Development of methods for increasing hearing panel reliability in guideline assessments.

5. Refinement of the offense severity and salient factor score scales used by the Commission.

6. Designing and implementing a parole Decision Recording and Monitoring System which is intended to automate many manual, paper-oriented processes and to provide current parole statistics of codefendants.

7. Evalulating the Reparative Work Project in which parole dates are advanced for up to 60 days for selected inmates who complete 400 hours of unpaid community service.

8. Maintaining the Curfew Release Program in which inmates, at the request of the Bureau of Prisons, have their parole date advanced up to 60 days but are required to remain in their homes under curfew during the night.

6. Conducting and evaluation of parole supervision practices.

The workload of the Parole Commission is presented in the following table.

WORKLOAD & PERFORMANCE SUMMARY
U.S. Parole Commission
Salaries and expenses
Parole

	Actuals		Estimates	
	1985	1986	1987	1988
1. Hearings:				
a. Initial	10,558	12,564	14,869	17,597
*b. Record Review	17,496	21,102	24,317	28,022
c. Rescission	816	889	971	1,060
d. Local Revocation	276	317	361	412
**e. Institutional Revocation	2,313	2,330	2,344	2,358
f. Other	318	465	606	1,013
g. Statutory Review	2,683	2,656	2,656	2,656
Total	34,460	40,323	46,204	53,118
2. Appeal Decisions:				
a. Regional	1,275	...	...	...
b. National	4,188	4,854	5,620	6,508
c. Administrative reviews	234	194	161	135
d. Original Jurisdiction decisions and appeals	214	210	206	202
Total	5,911	5,258	5,987	6,845

*Includes Pre-hearing Reviews for Initial and Revocation Hearings and Pre-release Reviews.

**Includes Dispositional Revocation Hearings.

Program Changes: An increase of $600,000 is requested to help the Commission continue to meet its statutorily mandated requirements.

An increase of $200,000 is requested to provide for six reimbursable examiner/analyst positions to be filled with employees from the Bureau of Prisons and other Federal agencies. With the Commission anticipating beginning phase-out in 1989 this will lessen the chance of having to implement expensive RIF procedures in that year. It is anticipated that the total number of reviews/hearings will have increased by approximately 12,800 from 1986 to 1988. Within the past few years, the Federal Prison System has been aggressively implementing a policy of spreading the inmate population over an increased number of smaller, more modern institutions. The Federal Prison System will continue their expansion program during 1987 and 1988. This program has created a substantial increase in Commission workload. The Commission conducts hearings for all prisoners who are included in an institutional docket during regular, bi-monthly visits to each Federal institution. Dividing hearings among more institutional dockets creates an obvious increase in travel time and associated expense. Moreover, work and costs associated with the administrative functions for a separate docket must be multiplied by the percent increase in the number of dockets.

The Administration's successful effort against major drug traffickers and members of organized crime reflect a large increase in the Commission's workload. Unlike simpler offenses, such as bank robbery, these cases almost always involve multiple defendants. To render equitable decisions in such cases, it is necessary to evaluate the relative culpability of each codefendant and make decisions which are appropriately relative to all offenders (i.e., relative to the guidelines) and specifically relative to the other codefendants. Drug cases can involve up to twenty or more codefendants each confined in one of over forty Federal institutions. The substantial increase in complexity of these cases has produced a corresponding increase in the Commission's workload.

The increased number of institutions has required our current line examiners to spend three weeks of each month in travel status conducting hearings. The increased complexity of the cases, has however, placed increased demand on high quality, and time-consuming pre-hearing reviews conducted in the regional offices preparing for the hearing. The resulting demands on examiner time and effort has strained examiner capacity and morale. The pre-hearing review process was adopted by the Commission as a policy to increase the quality of the hearings and the decisions. The General Accounting Office (GAO) Report, "Better Management and Legislative Changes are Needed to Improve Federal Parole Practices" was critical of the Commission's reliability in the application of its decision guidelines. The report also stated that hearing examiners should have adequate time to review case files prior to the hearing. The implication that the examiners did not have adequate time was a legitimate complaint. The Commission's response to this report was the pre-hearing review process, which is now fully implemented. The total effect will be improved quality of our decisionmaking, but total time devoted to a case (pre-hearing revi · plus the hearing) has increased substantially.

All Federal youth offenders sentenced under the Federal Juvenile Deliquency Act (FJDA) are boarded outside the Federal Prison System in various state facilities located most times in remote areas. Also, because of security or other reasons, certain Federal prisoners must be boarded in the same fashion. Under Federal statute, these individuals must be given in-person parole hearings which require an unusual amount of examiner resources from a travel and per diem standpoint. Further, because of the workload placed on the existing examiner corps, the Commission has had to request the U.S. Probation Service to conduct virtually all parole revocation hearings in state institutions and a substantial number of local revocation hearings in the more remote areas of the country. The U.S. Probation Service has informed the Parole Comision that it can no longer conduct these hearings due to its increased workload. Therefore, the Commission will need to send its own hearing examiners, as we believe was originally intended by Congress, to do these hearings carrying an increased workload for them and substantial time in travel status to conduct a single hearing at one of these locations.

Funding of $300,000 is requested to relocate professional staff in the field and central offices. Relocations are necessary for the Commission to maintain a uniform implementation of national paroling policy and guidelines due to shifting workload as new institutions are opened, to fill vacancies with the best qualified staff in the areas most needed, and in preparation for the anticipated consolidation of regional offices due to the phase-out of the Commission. Included in relocation expenses are travel and subsistence costs, costs for temporary quarters, transportation and storage of household goods, and certain real estate costs. Based on past experience, at $30,000 to $50,000 per relocation, this would allow the Commission to relocate 6-10 employees per year.

Finally, the Commission is requesting an additional $100,000 for contract typists. The Commission is utilizing contract typists more and more to do typing on a per page basis, and perform other routine clerical functions on an hourly basis, thus allowing Commission personnel time to perform other necessary functions. There have also been procedural changes (e.g., the pre-hearing assessment of every hearing) which have increased the Commission's typing workload. At an hourly rate of $8.00 this would provide approximately 6 additional clerical support for the Commission.

U.S. Parole Commission

Salaries and expenses

Financial Analysis - Program Changes
(In thousands of dollars)

Item	Reimbursable Positions Amount	Relocations Amount	Contract Typist Amount	Total Amount
Personnel benefits	...	$207	...	$207
Travel & transportation of persons	...	15	...	15
Transportation of things	...	78	...	78
Other Services	$200	...	$100	300
Total workyears and obligations, 1988	200	300	100	600

U.S. Parole Commission

Salaries and expenses

Detail of Permanant Positions by Category
Fiscal Years 1986-1988

Category	1986 Actuals	1987 Authorized	1988 Total
Attorneys (905)	9	9	9
Other Legal and Kindred (900-998)	6	6	6
Social Scientists, Economist and Kindred (101-199)	80	82	82
General Administration Clerical and Office Services (301-399)	79	81	81
Accounting and Budget (500-599)	1	1	1
Total	175	179	179
Washington	45	45	45
U.S. Field	130	134	134
Total	175	179	179

U.S. Parole Commission

Salaries and expenses

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1987 as enacted	179	176	$10,300
1987 Pay and retirement supplementals requested	...	...	239
1987 Appropriation Anticipated	179	176	10,539
Adjustments to base:			
Transfer of Financial and Administrative System Support Group from General Administration	...	...	4
Uncontrollable increases:			
One additional compensable day	...	...	23
Annualization of Federal Employees' Retirement System costs	...	...	412
Annualization of 1987 pay increase	...	...	67
Within-grade increases	...	...	70
Locality based per diem	...	...	106
GSA rent	...	...	274
GSA recurring reimbursable services	...	...	3
Federal Telecommunication System (FTS)	...	...	26
GPO printing costs	...	...	1
Employee data and payroll services	...	...	7
General pricing level adjustment	...	...	145
Total, uncontrollable increases	...	...	1,134
Decreases:			
Reduction for change in hourly rate	...	...	-18
Reduction in health benefits	...	...	-5
Reduction in per page cost of Federal Register and Code of Federal Regulations	...	...	-1
Total, decreases	...	...	-24
1988 Base	179	176	11,653

U.S. Parole Commission

Salaries and expenses

Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Transfers to and from other accounts:			
1. Transfer of Financial and Administrative System Support Group	...	...	$4
This represents the transfer of the Financial and Administrative System Support Group from the General Administration to the Working Capital Fund. The transfer of this group will place all of JMD financial, administrative system support services on a user-reimbursable basis.			
Uncontrollable Increases:			
1. One additional compensable day	...	...	23
The annual salary rate for Federal employees is based on 260 paid days. FY 1988 has one more compensable day (262) than 1987 (261). (Permanent personnel compensation $23,000: 260 = $20,000 plus $3,000 for benefits.)			
2. Annualization of Federal Employees' Retirement System Costs	...	...	412
This request provides for the additional costs in 1988 necessary to continue implementation of the Federal Employees' Retirement System Act of 1986, P.L. 99-335. This act established a retirement program for Federal civilian employees and postal workers hired after December 31, 1983 who are covered by social security, and for employees under the Civil Service Retirement System who choose to transfer into the new system. The calculations were determined from an OMB approved formula. Additionally, $155,000 of the 1987 requirement was absorbed. Total annualization required is $412,000.			
3. Annualization of 1987 pay increase	...	...	67
This request provides for the annualization of the January 4, 1987 pay increase. The calculation of the amount required for annualization is based on 68 paid days (October 1, 1986 through January 5, 1987) which were not included in the pay raise amount of $168,000. Additionally, $84,000 of the 1987 pay requirement was absorbed. Total annualization required is $67,000.			

	Perm. Pos.	Work-years	Amount
4. Within-grade increases	...	...	$70

This request provides for an expected increase in the cost of within-grade increases. This increase is generally consistent with increases experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $62,000 and benefits $8,000 = $70,000).

5. Locality based per diem	...	...	106

Public Law 99-234 authorized a new locality base per diem and lifted the $75.00 ceiling in certain geographic areas. An uncontrollable increase of $106,000 is required to meet the expected 15 percent increase to total travel funds.

6. GSA Rent	...	...	274

In 1987 the Rent System replaces the Standard Level User Charges (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $274,000 is required to meet our commitment to GSA.

7. GSA recurring reimbursable services	...	...	3

Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.2 percent increase of $3,000 in fees for these services in 1988 over 1987 charges of $71,000.

8. Federal Telecommunication System (FTS)	...	...	26

The General Services Administration has advised of a 16 percent increase in Federal Telecommunications System (FTS) Intercity costs for 1986. This increase is mainly due to unanticipated tariff increases, savings GSA had built into their original budget estimate which will not materialize and FY 1985 costs which were not billed by GSA last year. An increase of $26,000 over the 1987 base of $102,000 is requested.

	Perm. Pos.	Work-years	Amount
9. GPO printing cost	...	...	$1

The Government Printing Office (GPO) is currently projecting a 3 to 4 percent increase over the 1987 printing cost of $37,000. An additional $1,000 will be required in 1988.

10. Employee data and payroll services	...	...	7

Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems maintenance and payroll accounting are based on the number of records maintained. The rate of $145.64 per record in FY 1986 will be raised to $155.76 per record for FY 1988. The change is based on anticipated uncontrollable cost increases of 6.9 percent for the operation of the Justice Employee Data Service.

An additional increase of $5,000 has been included to improve the Human Resources Management Information System (HRMIS). This improvement will enhance the productivity of all Department components as well as the support units of accounting, budgeting and procurement. This retooling of support systems will allow the Department to operate an efficient, effective and businesslike administrative operation.

11. General pricing level adjustment	...	...	145

This request applies OMB pricing guidance as of December 1986 to selected expense categories. The increased costs identified result from applying a factor of 3.7 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.

Total uncontrollable increases	...	...	1,134

Decreases (Automatic non-policy):	Perm. Pos.	Work-years	Amount
1. Reduction for change in hourly rate	...	...	-$18
Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985 required that the computation of annual salary rates to be based on 2,087 hours rather than 2,080. The same amount that was reduced in 1984 and restored in 1986 is requested for reduction in 1988.			
2. Reduction in Health Benefits	...	...	-5
The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1986, the Department's actual contribution to health insurance decreased approximately 4 percent due primarily to reduced carrier rates. The requested decrease includes $5,000 for decreased rates over the 1984 budgeted base of $136,000.			
3. Reduction in per page cost of the Federal Register and the Code of Federal Regulations	...	...	-1
The Legislative Branch Appropriation Act of 1978 (P.L. 95-941) amended the Federal Register Act to require Federal agencies to reimburse the Government Printing Office for costs of printing, binding and distributing the Federal Register (FR) and the Code of Federal Regulations (CFR). The current cost estimates from GPO indicate a per page cost of $390 for the FR and $55 for the CFR for 1988. This represents an $18 per page decrease for the FR and a $5 per page decrease for the CFR.			
Total decreases	...	...	-24
Total, adjustments to base	...	...	1,114

U.S. Parole Commission

Salaries and expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1987 Estimate		1988 Request		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
GS-18, $70,800	9		9		...	
GS/GM-15, $53,830-69,976	10		10		...	
GS/GM-14, $45,763-59,488	38		38		...	
GS/GM-13, $38,727-50,346	6		6		...	
GS-12, $32,567-42,341	11		11		...	
GS-11, $27,172-35,326	11		11		...	
GS-10, $24,732-32,148	1		1		...	
GS-9, $22,458-29,199	10		10		...	
GS-8, $20,333-26,435	1		1		...	
GS-7, $18,358-23,866	22		22		...	
GS-6, $16,521-21,480	25		25		...	
GS-5, $14,822-19,268	18		18		...	
GS-4, $13,248-17,226	16		16		...	
GS-3, $11,802-15,339	1		1		...	
Total, appropriated positions	179	$5,687	179	$5,812	...	$125
Pay above stated annual rates	...	24	...	23	...	-1
Lapses	-15	-323	-15	-369	...	-46
Net savings due to lower pay scales	...	-44	...	-18	...	26
Net full-time permanent	164	5,344	164	5,448	...	104
Other than permanent:						
Part-time employment	2	21	2	21	...	
Temporary employment	1	11	1	11	...	
Other part-time and intermittent employment	9	628	9	636	...	8
Other personnel compensation:						
Overtime	...	21	...	22	...	1
Other compensation	...	20	...	20	...	
Special personal services payments		18	...	18		
Total, workyears and personnel compensation	176	6,063	176	6,176	...	113
Average GS/GM salary		$33,375		$33,511		
Average GS/GM grade		9.7		9.7		

U.S. Parole Commission

Salaries and expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1987 Estimate Workyears	1987 Estimate Amount	1988 Estimate Workyears	1988 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1 Full-time permanent	164	$5,344	164	$5,448	...	$104
11.3 Other than permanent	12	660	12	668	...	8
11.5 Other personnel compensation:						
Overtime	...	41	...	42	...	1
11.8 Special personnel services payments	...	18	...	18	...	...
Total, workyears and personnel compensation	176	6,063	176	6,176	...	113
12 Personnel benefits	...	881	...	1,521	...	640
13 Benefits for former personnel	...	4	...	4	...	...
21 Travel and transportation of persons	...	704	...	856	...	152
22 Transportation of things	...	76	...	160	...	84
23.1 GSA rent	...	1,388	...	1,662	...	274
23.3 Communications, utilities and miscellaneous charges	...	550	...	608	...	58
24 Printing and reproduction	...	76	...	77	...	1
25 Other services	...	618	...	983	...	365
26 Supplies and materials	...	99	...	113	...	14
31 Equipment	...	80	...	93	...	13
Total obligations	176	10,539	176	12,253	...	1,714
Relation of obligations to outlays:						
Obligated balance, start-of-year	...	1,521	...	2,271		
Obligated balance, end-of-year	...	-2,271	...	-2,864		
Outlays	...	9,789	...	11,660		

OPENING STATEMENT

Mr. EARLY. The committee is pleased to welcome Mr. Benjamin F. Baer, chairman of the Commission. You may proceed with your statement.

Mr. BAER. Mr. Chairman, members of the committee, I am pleased to have the opportunity to appear before you in support of the 1988 budget request for the United States Parole Commission.

The 1988 budget request is for $12,253,000 and 179 permanent positions. This represents an increase of $1,714,000 above the 1987 appropriation anticipated. The increase in funding includes $600,000 in program increases and $1,114,000 in uncontrollable increases.

The program increases are necessary to help the Commission meet its statutory requirements in carrying out its mission. Of this, $200,000 is requested for positions to be provided by other Government agencies on a reimbursable basis. This will allow the Commission to have six additional Examiner/Analysts to help handle the increased workload without having to increase the workyear ceiling.

A request of $300,000 is being made to provide funding for six to ten relocations which the Commission anticipates will be necessary in 1988, to accommodate the shifting workload and managerial needs and to maintain uniformity in paroling policy nationwide. We are also requesting $100,000 to fund additional contract typists for the Commission in order to help handle the added clerical needs associated with the increased workload anticipated.

The Commission's workload for 1988 is expected to be above its 1987 level. The Commission anticipates that with the requested increase in resources and increased productivity and efficient management, the higher workload caused by the increase in prison population can be achieved while retaining the high quality of paroling decisions in a timely and policy consistent basis nationwide.

[The following information for the record was submitted subsequent to the hearing:]

EFFECTS OF REQUESTED INCREASES

By handling the increased workload due to increased prison population; making paroling decisions which are consistent with the Commission's rules and procedures; and making paroling decisions in compliance with the time limitations imposed by statute.

Mr. BAER. This concludes my statement, Mr. Chairman. I shall be pleased to answer any questions you or members of the Subcommittee have.

ADDITIONAL 1987 STAFFING

Mr. EARLY. This Committee gave you additional staff over the original recommendation in last year's budget. Did it help at all?

Mr. BAER. Yes, sir, it helped a great deal. The workload in 1986 was higher than we had anticipated, so it was certainly appreciated, Mr. Chairman.

PROPOSED ELIMINATION

Mr. EARLY. Mr. Baer, are you an ex officio member of the Sentencing Commisison?

Mr. BAER. By law I am a non-voting member, yes, sir.

Mr. EARLY. The guidelines currently being developed are supposed to eliminate the need for the Parole Commission. When is the Commission scheduled to be abolished?

Mr. BAER. The Parole Commission will be phased out five years after the sentencing guidelines become effective.

In other words, if they become effective, as now scheduled, November 1 of 1987, the Parole Commission will be phased out November 1, 1992.

Mr. EARLY. When do you plan to begin the phase-out of the Commission?

Mr. BAER. We anticipate that our 1988 workload will not diminish, but that it will begin to diminish in fiscal year 1989, and we will be planning a phase-down based on that.

Mr. EARLY. I have some reservations about that, Mr. Baer, and whether the workload will really start to diminish in 1989.

I am not sure that you are going to be able to be phased out by 1992 with the responsibility that your Commission has. Are you planning any actions in fiscal year 1988 in preparation for the 1992 phase-out?

Mr. BAER. Well, as I said, our workload, which means primarily our initial hearings, will not diminish, at least until the very end of 1988. We will be doing some planning, not very drastic planning or specific planning until we see whether the guidelines that are now being proposed by the Sentencing Commission are being put into effect.

SENTENCING COMMISSION'S GUIDELINES

Mr. EARLY. Are you actively participating with the Sentencing Commission in the preparation of those proposed guidelines?

Mr. BAER. I attended a number of meetings and hearings after the September draft was issued. There were seven days of public hearings in six cities in the United States. I attended four of those.

I listened to the criticism but, as I say, I am not a voting member. I will leave it at that.

WORKLOAD ESTIMATES

Mr. EARLY. You predict the 1987 workload of the Commission to be 46,204 parole hearings, and 5,987 appeals. These are approximately 33 and 24 percent higher, respectively, than the projections you made in your fiscal year 1987 request. What has caused this tremendous growth in the workload? Chairman Baer, to what do you attribute this increase? That is a tremendous increase.

Mr. BAER. There was a big increase in 1986 which we did not anticipate. Most of our hearings obviously relate to the prison population, and as a new prisoner comes in, unless he has a sentence of 30 years or more, if he applies, he is entitled to a hearing within 120 days after he arrives.

That is the policy that we have had since 1977. As more prisoners come in, well, let me go back. As the DEA and FBI arrest more people, and more people are prosecuted and the judges sentence more people, that impacts on our workload. Thus we have more hearings.

Mr. EARLY. Were you able to reduce the backlog of cases?

Mr. BAER. We are more or less on schedule. It bothers me that we are not consistently meeting the statutory requirement that we give every inmate a written decision 21 days after the hearing.

Mr. EARLY. What is the average number of days it now takes you to render a written decision?

Mr. BAER. It varies somewhat from region to region. In the more efficient regions, we are getting around 80 percent out within 21 days, but in one region, it is a lot less than that.

Mr. EARLY. Have you always been able to keep up in the past?

Mr. BAER. It became much worse during this past year.

Mr. EARLY. You project a continued growth of 15 percent in fiscal year 1988 and yet you are holding your staff level at fiscal year 1987 levels. Do you believe your staff can adequately handle the increased workload?

Mr. BAER. Well, I must admit, Mr. Chairman, last summer when we made our presentation, we didn't think the actuals would be as high as they were, and so we were a little too conservative in our projections at that time.

REQUEST TO OMB

Mr. EARLY. Provide for the record what you requested of OMB for staffing for your 1987–1988 budget.

Mr. BAER. We are scheduled to be phased out, and we did not ask for additional workyears for fiscal year 1988, but we asked for additional funds which would enable us to hire more contract typists and to increase the number of reimbursable agreements and allow us to hire some reemployed annuitants. By doing that, it would reduce our RIF problem, when the time came to cut back, so OMB granted that $600,000 for program increases.

Mr. EARLY. Will the combination of additional workload and level staffing cause backlog to increase in your professional opinion in the year 1988?

Mr. BAER. If those projections hold true, I know we will have trouble making the deadlines on the decisions, and the response of our analysts in our regions to our parole agents for warrants and other orders that need to be modified will not be achieved in a timely fashion.

[The information follows:]

REQUEST TO OMB

For FY 1987, the Commission requested 183 permanent positions and 182 workyears of OMB. Of this, eight permanent positions and six workyears repreesented program increases.

For FY 1988, The Commission requested 179 permanent positions and 180 workyears. Of this, four permanent positions and four workyears represented program increases. Four permanent positions were provided to the Commission in the Congressional 1987 appropriation.

CONTRACT TYPISTS

Mr. EARLY. The Commission requested an additional $100,000 in 1988 for funds for additional contract typists.

How much are you spending in fiscal year 1987 for contract typists?

Mr. BAER. We are spending about $250,000 for contract typists in 1987.

Mr. EARLY. Does the Federal Government get a better bang for its buck using contract typists or would we be better off trying to hire full-time?

Mr. BAER. We make the dollar go further with that kind of arrangement, and it gives us a lot of flexibility.

Mr. EARLY. These people are paid at an hourly rate of $8. Have you performed any kind of study to determine if this type of clerical support is cheaper?

Mr. BAER. Before October 1st we paid them by the page. After some study, we concluded it would be more cost effective if we paid $8 an hour. After we have six months experience, we plan to do another study.

INNOVATIVE RELEASE PROGRAMS

Mr. EARLY. Chairman Baer, what are you doing with regard to the question that was directed at Mr. Carlson earlier involving any innovative types of early release?

Mr. BAER. Mr. Chairman, during the last couple of years, we initiated what we call a reparative work project, which we operate in conjunction with the Bureau of Prisons. Prisoners, when they are still in the halfway house, on a volunteer basis and limited to people that were going out in certain release areas, if they would perform 400 hours of what we call reparative work, community service, we would advance their parole date 60 days.

That was a pilot project on a very limited basis, which, in my opinion, was very successful.

The people worked in a number of private agencies—Salvation Army, Red Cross, and we got nothing but accolades. They were pleased with the prisoners. It was a good experience for the prisoners and got them out 60 days earlier.

Mr. EARLY. Will you provide the number of prisoners that were involved in that program for the record. I would imagine those were not criminals of high risk?

Mr. BAER. There was a selection basis, but with the exception of what we knew were very high risk, anybody going out, I mean most people going out in a halfway house would be eligible. I will furnish you with a brief summary report of that program.

[The information follows:]

STATUS REPORT
REPARATIVE WORK PROGRAM

Benjamin F. Baer, Chairman
U.S. Parole Commission
September, 1986

On March 1, 1985, the U.S. Parole Commission, with the assistance of the National Office for Social Responsibility, implemented an experimental Reparative Work Program as an alternative form of punishment for selected federal prisoners. This project involved the joint efforts of the U.S. Bureau of Prisons and the U.S. Parole Commission and was funded by the National Institute of Justice.

The goal of this program was to develop an alternative sanction that punishes the offender, but also allows him to repay, in some small way, the harm he has done to society. In this pilot study, carefully screened offenders returning to selected cities had their parole dates advanced by two months if they volunteered to complete 400 hours of reparative work. For example, a bank robber serving 48 months could be released after 46 months upon the completion of the required hours of reparative work. Before release, the selected offenders performed work without pay which provided a meaningful, realistic and needed service to the community.

Over two hundred Reparative Work positions have been developed with such agencies as the Volunteers of America, the American Red Cross, the Salvation Army, Goodwill Industries, Jewish Community Centers, Catholic Charities of Dallas, Lutheran Social Services of Southern California, Florida Association of Workers for the Blind, and the YMCA. Jobs included loading and unloading trucks, building maintenance, answering telephones, sorting donations, computer programmer, Red Cross safety instructor, park service aide, orderly, and providing services to the elderly. During the last months before release, offenders completed the work while residing in a residential treatment center/halfway house and while still under the custody of the Bureau of Prisons. All offenders were closely supervised and monitored to insure that their job performance was satisfactory and that they did not pose a threat to the community. They were required to remain in the halfway house when not working except for two four-hour passes per week for recreational and religious purposes and were subject to more restrictions than the usual halfway house resident.

It was necessary to terminate the initial phase of the project in April of 1986 because the Bureau of Prisons, in response to budgetary constraints (Gramm-Rudman-Hollings), was required to curtail the amount of time that an offender could stay in a halfway house. The shorter halfway house placements no longer allowed sufficient time for reparative work. After a period of 13 months, the Reparative Work Project ended with a

total of 100 inmates having participated in the program and having worked for 53 different agencies. Despite the abbreviated nature of initial phase, the following significant results can be demonstrated:

- o 38,481 hours of unpaid reparative work was completed.
- o The participating agencies reported that it would have cost over $168,000 to hire a paid employee to perform the same work.
- o Release dates were advanced a total of 5,538 days, which represents a savings in prison bed space.

With the curtailment of the initial phase of the project, the Bureau of Prisons has agreed to adapting reparative work to another aspect of Bureau programming. Accordingly, a reparative work program is presently being implemented at the Federal Correctional Institution in Ft. Worth, Texas. The plan allows inmates at Ft. Worth who meet the selection criteria to volunteer to perform reparative work in the city of Ft. Worth. Under this modifica-tion, a prison instead of a CTC will be used as the residential base for Reparative Work volunteers.

As of August 1986, 12 inmates have been accepted by the Bureau of Prisons and the U.S. Parole Commission to participate in the second phase of the Reparative Work Project. Several of the agencies participating in the Ft. Worth project have had sister agencies in other cities participate as volunteer sites for other

reparative workers. Some of these agencies are: Volunteers of America, American Red Cross, Goodwill Industries, Jewish Federation, and Disabled American Veterans. These inmate volunteers are providing agencies with similar services as in the first phase of the Reparative Work Project.

This project will continue at Ft. Worth on an experimental basis for six more months. In the meantime, the project will be reviewed with the Bureau of Prisons to determine if the results justify expanding the project nationwide and continuing it beyond the experimental phase. The project will also serve as an example for state correctional agencies, many of which have serious overcrowding problems.

PAROLE SURVEILLANCE

Mr. EARLY. In my opinion, the Parole Commission would be able to release additional people early if there was more parole surveillance available. Is that an accurate statement?

Mr. BAER. Yes, I think it is, Mr. Chairman.

My bottom line is the protection of the public, and I know what the Federal prison population is compared to State prison populations. Ours is significantly different.

Also, however, on the Federal system, the Parole Commission is dependent on the United States probation officer to give us the supervision. We don't hire United States probation officers. The judge of the judicial district hires them, under an arrangement, that was worked out many years ago. Those U.S. probation officers become parole agents of the people that we release and there are about 1,800 probation officers throughout the country. We maintain what I would consider a very effective working relationship with those people, but their first priority is to the judge.

They have to prepare the pre-sentence report, so it is important that the agency have the resources so they can properly supervise not only their probationers, but also our parolees. In answering your question, I would be comfortable releasing some of our Federal prisoners earlier if I was sure we had the resources to supervise them properly.

Mr. EARLY. Has the Parole Commission examined house arrests?

Mr. BAER. As Mr. Carlson described it to you earlier, we initiated with the Bureau and with the Probation Service a year ago, partly as a response to Gramm-Rudman, a program where we released prisoners to what we call a curfew parole where they had to be in by 9 o'clock at night and the probation officer had to check on the telephone to be sure that they were there.

We again advanced their release by up to 60 days, and in less than a year we saved the Bureau over a million dollars. That is a drop in the bucket for the Bureau, but that is a million dollars saved.

PAROLE STAFFING AND RESPONSIBILITIES

Mr. EARLY. How many of your Commissioners are actually involved in the decision-making process, regarding the release of inmates?

Mr. BAER. Nine Commissioners. Five of the nine are in charge of the five regions. Three compose the National Appeals Board where every inmate can appeal his decision. The ninth is the Chairman, the Chief Executive Officer.

Mr. EARLY. How are they staffed for clerical help? How much of their time is spent on clerical responsibility?

Mr. BAER. Maybe I am speaking too narrowly here. We don't have enough help to get the reports to the Commissioners, then to process the case once the decision is made and then to get the decision out to the inmate, to the Bureau and the Probation Service.

Mr. EARLY. Are all your Commissioner slots filled?

Mr. BAER. Yes, sir.

Mr. EARLY. What is the next rung under the Commissioners?

Mr. BAER. In the regions we have a Regional Administrator who holds the top civil service position in the region. He oversees the examiners and the analysts, and is the person who is in charge of the support staff.

Mr. EARLY. And how many of them are there?

Mr. BAER. Five of those. Each has an assistant. Between the two of them, they review every case before it goes to the Commissioner. By law, only the Commissioner can sign the order.

Mr. EARLY. What if this Committee gave you an additional $500,000, what would you do?

Mr. BAER. The biggest need right now, Mr. Chairman, is for additional support resources and additional examiners and analysts in the regions. To me it is very important that the parolees on supervision, and the people we don't parole who go out mandatory release, are being supervised. It is important from where I sit that we have the analysts to do the staff work.

Mr. EARLY. Briefly describe an analyst.

Mr. BAER. One analyst deals primarily with the probation officers supervising our cases. If an inmate violates the conditions of his parole and even though he has not been convicted of another offense—he is an addict in the first place, robbed the bank because of that, and he goes back to the use of drugs—we need to know that. We have a special condition, so he is being tested regularly. If he continues to use drugs and the probation officer lets us know, we issue a warrant, and evaluate that. The analyst is the liaison between the probation service and the Commissioner.

DIFFERENCE BETWEEN ANALYST AND PROBATION OFFICER

Mr. EARLY. I have a hard time seeing the difference between an analyst and a probation officer.

Mr. BAER. The analyst is in our regional office. The probation officer is out there in the district. In California there are four Federal judicial districts—San Diego, Los Angeles, Sacramento and San Francisco. Each has a number of probation officers who work for the court and who supervise probationers and parolees.

The analyst is stationed in our regional office.

Mr. EARLY. If he takes the probation officers report, and he draws a conclusion—then what?

Mr. BAER. He makes a recommendation to our Commissioner.

Mr. EARLY. Who recommends to terminate someone on parole. What if the Commission says that bank robber that robbed a bank and was on drugs, has gone back to drugs. Who recommends what shall be done?

Mr. BAER. The probation officer is our agent. He supervises many parolees. If he sees what is happening, he will make a report and address it to our Commissioner. That report is evaluated by our analyst, and there may be some questions the probation officer has not answered.

REINCARCERATIONS

Mr. EARLY. In the past three years what has been the percentage of people that you have reincarcerated for rate of recidivism?

Mr. BAER. I am not sure of the percentage but in fiscal year 1986 we returned 2,618 parolees. One thousand thirteen of those were what we call technical or administrative violators. They had not yet committed another crime, but I emphasize "not yet" because if we hadn't acted when we did, since the guy is using drugs again, he very likely would in just a matter of time. It is a public protection measure, taking him off the streets, and we don't do it the first time he has a positive test result. The probation officer works with him for a while, and he may put him in a halfway house; give him another chance.

Mr. EARLY. Do you know what has been the number you reincarcerated in the last few years—1985, 1986?

Mr. BAER. I don't have the numbers. I will provide that to you.

[The information follows:]

REINCARCERATIONS

In 1986, we reincarcerated 2,613 parolees. In 1985, we revoked 2,561 parolees.

REVOCATIONS BECAUSE OF DRUGS

Mr. EARLY. Also provide for the record what number are due to drug abuse.

Mr. BAER. Okay.

[The information follows:]

NUMBER OF REVOCATIONS

	Fiscal year—	
	1985	1986
For new criminal conduct involving drugs	333	379
For new criminal conduct not involving drugs	1,318	1,226
For technical or administrative violations involving drugs	592	650
For technical or administrative violations not involving drugs	318	363
Total revocations	2,561	2,618

ADDITIONAL FUNDING

Mr. EARLY. If you had additional money would your first choice be for analysts?

Mr. BAER. And support staff so we can get the paperwork done to make these decisions, and to get the decision out to the inmates and to the attorneys.

Mr. EARLY. Where is that backlog of paper?

Mr. BAER. In the regional offices. It is the staff of the regional commissioners, sir.

Mr. EARLY. Do you have any unfilled positions in any of these regions?

Mr. BAER. At the present time, we have about 9 unfilled positions. Now, we are at various stages of filling those. All of our people need a security clearance, and there have been difficulties, particularly in the San Francisco area, because of the comparative salary, plus the cost of living in that region.

Mr. EARLY. How many vacancies are there in the San Francisco regional office?

Mr. BAER. Five in that one office.

Mr. EARLY. What is the background of one of these people?

Mr. BAER. The analyst generally comes to us from the Bureau of Prisons where he has been a case manager, or from a state agency where he has been a probation or parole agent.

Mr. EARLY. What is the recruitment cost for that?

Mr. BAER. We start them at a GS-11, and they can be promoted to a 12.

Mr. EARLY. That is difficult to live on in San Francisco.

Mr. BAER. Particularly, we have had two analyst positions vacant for six months. Six weeks ago we thought we had somebody hired, and when he evaluated, even though he would have got a promotion, he decided not to take the job because of the high cost of living there.

RECRUITMENT PROBLEMS

Mr. EARLY. Is the fact that you are supposedly going out of business in 1992—and I will believe that when I see it—is that hurting your recruiting process?

Mr. BAER. Yes, sir, it is. It is a morale problem, and it has been a definite factor in the recruiting. Until about a year ago, when we had an analyst vacancy, or an examiner vacancy, we got applicants from the Bureau of Prisons, because there was an opportunity for faster promotion. We have some very good people. They all know we are scheduled to be phased out so people are reluctant.

Mr. EARLY. So as phase-out of the Commission gets closer and closer, you must have a greater morale problem with the Commission employees?

Mr. BAER. The morale problem is related to two things: the recruitment problem, which means we have more vacancies than we should have and that the people who are there really are overworked. If many were not workaholics, we would be in real trouble. I can give you some cases where people have come to us from other agencies and they have gone back. Many have stayed.

Mr. EARLY. Why have you continually had such a high lapse rate between your on board strength and your authorizing positions?

Mr. BAER. It is more of a problem now. Well, last year—this sounds like an excuse, but Gramm-Rudman was a factor. Currently, we are having more and more trouble getting people interested.

SUPERVISING PAROLEES AFTER ABOLISHMENT OF COMMISSION

Mr. EARLY. Mr. Chairman, tell us about the supervision of prisoners over the next five years and after—or upon the abolishment of the Commission—assuming it gets abolished in 1992.

Mr. BAER. What our role is?

Mr. EARLY. Yes.

Mr. BAER. The Sentence Commission legislation phases the Parole Commission out five years after the guidelines become effective. When that happens the new guidelines will apply to an offender who has committed the offense after the effective date of the guidelines. If the guidelines are effective November 1, 1987,

any offense that was committed prior to November of 1987 will be sentenced under the current procedures which means that we will deal with that.

Another section of the law states that six months before we are to be phased out, we have to give everybody left in prison, who has come in under the old system, a date within the guidelines. That was a mistake on the part of the drafters, because it means the ones that will be left will be the most dangerous, long-term offenders, and our regulations permit us to go above our guidelines as well as below our guidelines, and we do go above in eight or ten percent of the cases.

Mr. EARLY. We are probably going to have 45,000 people that fall in that category, assuming a date, hypothetically of 1992, Wouldn't that mean everyone that is incarcerated under the old system? Wouldn't it be in the area of 40,000 to 45,000 prisoners that will be your responsibility?

Mr. BAER. The ones who committed an offense prior to November 1, 1987, we have the responsibility.

Mr. EARLY. Wouldn't that be the whole population—about 45,000?

Mr. BAER. That is correct, plus a number who are entitled to enter, after 1992; also there will be a number of prisoners who by law will be entitled to interim hearings.

Mr. EARLY. Explain that again, please.

Mr. BAER. I say there will be a number of prisoners in the system after 1992 who will still be entitled to an interim hearing. They will be entitled to have an advancement. In other words, our present regulations will apply to those people who are left.

Then there are all the people we parole who will be supervised under current procedures.

Mr. EARLY. Assuming you went out of business in 1992—what would happen to the 45,000 people incarcerated before November 1, 1987—what about the ones of that group that start getting paroled in 1992, who will they report to? Who will the parole or protection officer send the report to?

Mr. BAER. That is a very good question, and I can't give you an answer, but I can tell you that somebody, some unit of government has to carry out that function.

Mr. EARLY. I would hope so.

Mr. BAER. It is not resolved at this point. It is a very good question, if I may say so.

Mr. EARLY. We really have an awful lot of problems. There is no question. You are going to have to release some of the less serious offenders earlier than you would probably like to. We just do not have the facilities.

Mr. Carlson told us thirty-eight of the State systems are beyond capacity. Thirty-eight States are under some kind of federal court order, most relating to prison overcrowding. One judge says let them out. Another judge wants to be tough so he is not going to let anybody out. Congress is saying that we are going to phase the Parole Commission out in five years. That does not seem feasible to me.

Mr. BAER. The guidelines will go into effect six months after submission, the middle of April. They go into effect unless Congress acts to the contrary.

Mr. EARLY. Will we be doing the right thing to give you more clerical staff and more analysts to catch up as much as you can by 1992?

Mr. BAER. Yes, sir.

Mr. EARLY. It probably would be good?

Mr. BAER. It would be very helpful.

Mr. EARLY. I appreciate your coming. The Parole Commission does an excellent job under these conditions and circumstances. The Committee will look at your testimony extensively once again, because you do a good job representing them. With that, we will recess until 10 o'clock tomorrow morning.

[Questions and answers for the record follow:]

QUESTIONS SUBMITTED BY MR. EARLY

U.S. Parole Commission

Question:

You project the 1987 workload of the Commission to be 46,204 parole hearings and 5,987 appeals. These are approximately 33 percent and 24 percent higher, respectively, than the projections you made in your 1987 request. What has caused this tremendous growth in workload?

Answer:

The overall increase in hearings from 1985 actuals to the 1986 actuals was 17%. On the basis of percentage increase by hearing type from 1985 - 1986 the estimates for 1987 and 1988 were developed. The same method was used to develop the appeals estimates. The growth in workload was caused by the increases in new commitments to the Bureau of Prisons.

Question:

You request an increase of $300,000 in 1988 to relocate staff in field and central offices. How much did you spend for this purpose in 1987, and why will you require more in 1988.

Answer:

Over the years the Commission has always found it necessary to relocate personnel between its offices. However, Congress has never appropriated funds specifically for this purpose. In 1986, the Commission spent $175,000 on relocations. To date the Commission has obligated $75,000 in 1987 for relocations.

Question:

You state that some of these funds result from preparations for consolidation of regional offices due to the phase-out of the Commission. Considering the uncertainties surrounding the sentencing guidelines don't you believe this is a little premature?

Answer:

It is anticipated that the relocations will be necessitated for reasons similar to those the Commission has experienced in the past: a) maintenance of a uniform national paroling policy; b) shifting workload due to the opening of new prison facilities; and c) the filling of professional vacancies with the best qualified personnel. It is for these reasons with an awareness of the possible eventual consolidation of regional offices and phase-out of the Commission the funding is requested. Relocations based solely on phase-out plans are not anticipated in 1988.

Question:

Also, due to uncertainties surrounding sentencing guidelines, why is it necessary to be shifting personnel to fill vacancies, unless there are unusual circumstances? Isn't this especially true considering that you can receive reimbursable assistance from Bureau of Prisons personnel?

Answer:

The level of professional and specific experience required to fill vacancies of Regional Administrators and Hearing Examiners can usually only be found within the ranks of Commission personnel. Because of this, relocations are necessary. Bringing in people from outside the Government or receiving reimbursable assistance from within the Government is usually done at the analyst level, but even then, finding the individual with the right qualifications already located in the geographical area of the need is often difficult and sometimes impossible.

Question:

How much are you requesting in 1988 for research and development?

Answer:

Approximately 7% of the Commission positions come under the Research and Program Development section.

Question:

Considering the eventual phase-out of the Commission, is it really necessary to continue to fund research projects to develop new methods, and procedures for the future?

Answer:

The Research and Program Development section performs many vital functions necessary for the Commission to carry out its mission. It is responsible for: a) the development and implementation of an automated codefendant information system to improve the ability of the Commission to provide equitable decisions for all codefendants; b) maintenance of the Parole Decision History data base used for statistical analysis, workload projections, administrative, management and budgeting requirements; c) liaison with Congress and the Sentencing Commission, other Governmental and criminal justice agencies; d) maintenance of the reliability and quality of parole decisionmaking; and e) support for all automated office information systems internal to the Commission. The resources allocated for the development of new methods and procedures for the future is only a very small part of the function of our Research and Program Development section.

FRIDAY, MARCH 13, 1987.

GENERAL LEGAL ACTIVITIES

WITNESSES

ARNOLD I. BURNS, DEPUTY ATTORNEY GENERAL

HARRY H. FLICKINGER, ACTING ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

ROBERT N. FORD, DEPUTY ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY COMPTROLLER FOR BUDGET

ROGER M. OLSEN, ASSISTANT ATTORNEY GENERAL, TAX DIVISION

WILLIAM F. WELD, ASSISTANT ATTORNEY GENERAL, CRIMINAL DIVISION

JAMES M. SPEARS, DEPUTY ASSISTANT ATTORNEY GENERAL, CIVIL DIVISION

F. HENRY HABICHT II, ASSISTANT ATTORNEY GENERAL, LAND AND NATURAL RESOURCES DIVISION

JAMES P. TURNER, DEPUTY ASSISTANT ATTORNEY GENERAL, CIVIL RIGHTS DIVISION

RICHARD C. STIENER, CHIEF, USNCB-INTERPOL

CHARLES F. RULE, ACTING ASSISTANT ATTORNEY GENERAL, ANTITRUST DIVISION

LAWRENCE S. McWHORTER, DEPUTY DIRECTOR, EXECUTIVE OFFICE FOR U.S. ATTORNEYS

BUDGET REQUEST

Mr. EARLY [presiding]. The meeting will come to order.

Continuing in our review of the Department of Justice, we will now hear testimony concerning the General Legal Activities Appropriation. General Legal Activities requests $763,441,000 in Fiscal Year 1988, an increase of 13 percent over Fiscal Year 1987 amounts.

We will insert in the record at this point the Fiscal Year 1988 Budget Justifications for General Legal Activities.

[The justifications follow:]

DEPARTMENT OF JUSTICE

General Legal Activities

Budget Estimates, Fiscal Year 1988

Table of Contents

Item	Number
Appropriation Level Material	
Summary Statement	1
Justification of Proposed Changes in Appropriation Language	6
Crosswalk of 1987 Changes	7
Summary of Requirements	8
Financial Analysis - Program Changes	9
Status of Congressionally Requested Studies, Reports and Evaluations	11
Summary of Permanent Positions by Category	12
Summary of Adjustments to Base	13
Justification of Adjustments to Base	14
Summary of Requirements by Grade and Object Class	20
Consulting and Related Services	22
Organization Level Material	
Solicitor General	
Organization Chart	A1
Crosswalk of 1987 Changes	A2
Summary of Requirements	A3
Justification of Program and Performance	A4
Financial Analysis - Program Changes	A7
Detail of Permanent Positions by Category	A8
Tax Division	
Organization Chart	B1
Crosswalk of 1987 Changes	B2
Summary of Requirements	B3
Summary of Resources by Program	B4
Justification of Program and Performance	B5
Priority Program Rankings	B22
Financial Analysis - Program Changes	B23
Detail of Permanent Positions by Category	B24

Item	Number
Criminal Division	
Organization Chart	C1
Crosswalk of 1987 Changes	C2
Summary of Requirements	C3
Summary of Adjustments to Base	C4
Summary of Resources by Program	C5
Justification of Program and Performance	C6
Financial Analysis - Program Changes	C43
Priority Program Rankings	C44
Detail of Permanent Positions by Category	C45
Civil Division	
Organization Chart	D1
Crosswalk of 1987 Changes	D2
Summary of Requirements	D3
Summary of Adjustments to Base	D4
Summary of Resources by Program	D5
Justification of Program and Performance	D6
Financial Analysis - Program Changes	D30
Priority Program Rankings	D31
Detail of Permanent Positions by Category	D32
Land and Natural Resources Div! .on	
Organization Chart	E1
Crosswalk of 1987 Changes	E2
Summary of Requirements..i	E3
Summary of Resources by Program	E4
Justification of Program and Performance	E5
Financial Analysis - Program Changes	E29
Priority Program Rankings	E30
Detail of Permanent Positions by Category	E31
Office of Legal Counsel	
Organization Chart	F1
Crosswalk of 1987 Changes	F2
Summary of Requirements	F3
Justification of Program and Performance	F4
Financial Analysis - Program Changes	F8
Detail of Permanent Positions by Category	F9

Item	Number
Civil Rights Division	
Organization Chart	88
Crosswalk of 1996 Changes	88
Summary of Requirements	89
Summary of Resources by Program	89
Justification of Program and Performance	89
Financial Analysis - Program Changes	832
Priority Program Rankings	832
Detail of Permanent Positions by Category	833
INTERPOL	
Organization Chart	M1
Crosswalk of 1997 Changes	M2
Summary of Requirements	M3
Justification of Program and Performance	M9
Financial Analysis - Program Changes	M12
Detail of Permanent Positions by Category	M13
Independent Counsel	
Summary of Requirements	I1
Legal Activities Office Automation	
Summary of Requirements	J1
Justification of Program and Performance	J2
Antitrust Division	
Organization Chart	81
Crosswalk of 1997 Changes	82
Summary of Requirements	83
Summary of Adjustments to Base	84
Summary of Resources by Program	85
Justification of Program and Performance	86
Financial Analysis - Program Changes	827
Priority Program Rankings	829
Detail of Permanent Positions by Category	830
United States Attorneys	
Organization Chart	11
Crosswalk of 1997 Changes	12
Summary of Requirements	13
Summary of Adjustments to Base	15
Summary of Resources by Program	15
Justification of Program and Performance	16
Financial Analysis - Program Changes	126
Priority Program Rankings	127
Detail of Permanent Positions by Category	128
Special Counsel for discrimination	
Crosswalk of 1997 changes	M1
Summary of Requirements	M2
Justification of Program and Performance	M3
Financial Analysis - Program changes	M6
Detail of Permanent Positions	M6

Legal Activities

Salaries and expenses, General Legal Activities

Summary Statement

Fiscal Year 1988

The Attorney General is requesting a total of 10,696 permanent positions, 10,354 full-time equivalent (FTE) workyears and $765,441,000 for the General Legal Activities appropriation in 1988. This request represents an increase over the anticipated 1987 appropriation of 864 permanent positions, 698 FTE workyears, and $140,603,000.

The Department proposes to consolidate the Antitrust and U.S. Attorneys appropriations within the General Legal Activities appropriation. In consolidating the legal activities within one appropriation, the Department will have the flexibility to more efficiently manage the legal resources at its disposal. The Department's policy level believes strongly in streamlining its legal activities and achieving the goals established by the Administration in the most productive way possible. Merging the Antitrust and U.S. Attorneys' activities will not affect the Congress' ability to provide thorough oversight. The Department will continue to adhere to Congressional reprogramming notification requirements assuring the Congress full control over the appropriation. The Congress will maintain its prerogative in establishing resource levels by program. (For purposes of comparability, the Antitrust and U.S. Attorneys appropriations are included in the 1987 appropriation anticipated levels).

Also included in the anticipated 1987 appropriation is a pay and retirement supplemental totaling $10,392,000 and a program supplemental totaling 68 positions, 22 FTE workyears and $8,972,000. The program supplemental includes funding for the Criminal Division's relocation to the Bond Building; increased telecommunication tariffs; and a variety of litigation programs.

The General Legal Activities appropriation supports the Attorney General through the establishment of litigative policy, the conduct of litigation and the performance of other legal responsibilities. The organizations, their major responsibilities and associated resource requirements are summarized below.

Conduct of Supreme Court proceedings and review of appellate matters

This activity is responsible for the conduct and supervision of all aspects of government litigation in the U.S. Supreme Court and approval of all federal appellate actions brought by the United States. The Department is requesting an increase of $150,000 to buy-out existing computer equipment and expand the existing case-tracking system.

General tax matters

The Tax Division is requesting 60 positions, 45 FTE workyears and $8,826,000 as a result of recent legislation that expands and enhances the effectiveness of the Internal Revenue Service. In addition, 10 positions, 9 FTE and $2,151,000 is requested for workload increases as a result of the Tax Reform Act of 1986. The Tax Reform Act of 1986 represents the first major transformation of the U.S. tax system in thirty years.

Criminal matters

The supervision and conduct of, or prosecutions of offenses arising under most federal criminal laws, are conducted by this activity. Program increases of 45 permanent positions, 33 FTE workyears and $4,469,000 are requested for 1988. The additional resources requested will be targeted for organized crime prosecutions; terrorism; international coordination and economic crime. The increase of resources in the area of organized crime is necessary to address the findings of the President's Commission on Organized Crime which recommended the enhancement of prosecutorial efforts. Dramatic increases in terrorist incidents directed at American targets has aroused public concern and the Administration has attempted to respond with a multifaceted program which includes the prosecution, under certain circumstances, of offenses occurring outside of the United States. Increases are needed for the Division's Office of International Affairs to address the growing volume of transactions occurring between the United States and foreign governments as a result of the negotiation of several new Mutual Legal Assistance Treaties. The Criminal Division is also requesting increases for its Defense Procurement Fraud Unit which serves as a central clearinghouse for nationally significant Defense procurement fraud investigations.

Claims, customs and general civil matters

This activity has responsibility for the litigation of civil cases initiated by and brought against the United States or its officers. The Division is seeking program increases of 114 permanent positions, 72 FTE workyears and $13,579,000 to address necessary defensive and affirmative litigation in the federal appellate, torts, federal programs and commercial litigation areas. The additional resources are divided into two major program initiatives--necessary defensive litigation and necessary affirmative litigation;they will enable the Division to cope with the phenomenal growth in caseload in recent years and provide an effective level of representation in litigation of increasing complexity. The largest portion of the requested enhancements would be used to address the projected increases in 1988 in defensive litigation. Claims against the government are expected to grow from a level of $88 billion in 1983 to over $190 billion by 1988. On the affirmative side, the resources will provide stronger support for the Administration's efforts to recover money lost through fraud, waste and abuse; assist in the litigation of mounting claims against the Social Security disability insurance programs; protect the Government's creditor rights in bankruptcies and foreclosures; and sustain agencies' determinations involving the enforcement of Federal statutes and regulations. Additional funding is also necessary to address the expanded workload which is anticipated as a result of passage of the Immigration Reform Act and the civil antifraud legislation.

Land, natural resources and Indian matters

This activity conducts litigation of civil and criminal matters relating to areas such as the exploration and development of minerals and energy resources from federal lands, the control of pollution and hazardous waste, the conservation of wetlands and wildlife, and the general protection of the physical environment. The Division is requesting program increases of 26 permanent positions, 23 FTE workyears and $6,499,000 in its appropriated level plus an additional 132 FTE workyears for the Superfund program. These increases represent three major program initiatives: environmental protection, which is concerned with enforcement of statutes and regulations governing the quality and safety of our natural environment; defensive litigation, which relates to the defense of the Government in its application of statutes and regulations concerning natural resource policy and environmental impact; and Indian Water Rights litigation where the Government is required under numerous treaties, statutes and Executive Orders to protect the rights of Indians in cases which involve competing claims to water resources.

Legal Opinions

This activity is responsible for serving as legal advisor to the President, the Attorney General and Executive agencies and for review of proposed Executive Orders and proclamations of the President as to form and legality. Also reviewed are proposed orders of the Attorney General, and all regulations requiring the Attorney General's approval. For 1988, the Office of Legal Counsel (OLC) is requesting an additional $42,000 to handle the production and publication of Presidential Emergency Action Documents (PEADs).

Civil rights matters

Criminal and civil enforcement of federal civil rights laws, coordination of civil rights investigations and matters within the Department, monitoring certain civil rights decrees by order of federal courts, and assisting Federal, state and local agencies in responding to and complying with federal civil rights laws are all responsibilities of this activity. The Civil Rights Division is proposing reductions of 4 permanent positions, 4 FTE workyears and $100,000 as a result of management and productivity improvement initiatives in the Special litigation and Educational opportunities programs. The Division is also requesting an increase of $800,000 to allow the Division to hire outside expert consultants to conduct analytical tests and to construct complex data bases to assist in the enforcement efforts in three of its program areas: Special Litigation ($120,000), Voting ($280,000) and Employment Litigation ($400,000).

INTERPOL-USNCB

This activity is responsible for providing efficient communications for law-enforcement programs between this country, other International Criminal Police Organization (INTERPOL) member countries, and the INTERPOL headquarters. A program increase of 12 positions, 9 FTE workyears and $540,000 is requested to enable the USNCB to provide 24-hour per day

operation. With an around-the-clock operation, the organization will be able to address an existing workload backlog and process international message traffic more efficiently.

Legal Activities Office Automation

The Department is requesting a program increase of $25,181,000 in 1988 for the development and acquisition of office automation systems for the Washington-based legal divisions and U.S. Attorneys offices. Through joint planning and acquisition of these systems by the Department's litigating components, economies of scale may be achieved through larger competitive procurements, and greater systems compatibility will promote efficiencies in the exchange of information between organizational elements.

Antitrust matters

The mission of the Antitrust Division is to protect and promote competition in the economy through the prosecution of violations of the antitrust laws. In 1988, the Department is proposing a program reduction of 100 permanent positions, 85 FTE workyears and $2,109,000 to provide offsets to increases in other law enforcement activities. These savings are available because the Division has been able to institute management improvements which have produced savings through increased productivity and through aggressive restructuring of the Division which increased the efficiency and effectiveness of its mission.

U.S. Attorneys

The U.S. Attorneys are responsible for the prosecution of criminal offenses against the United States and the representation of the U.S. Government in civil actions, suits or proceedings in which the United States is concerned. Program increases of 542 positions, 487 FTE workyears and $28,124,000 are requested in 1988. The major focus of the U.S. Attorneys request is in the areas of narcotics and dangerous drugs, white collar crime and affirmative civil litigation. To effectively remove the profit motive for those engaged in illicit narcotics trafficking and to aggressively prosecute the criminals involved, the U.S. Attorneys are requesting 417 positions, 313 FTE workyears and $21,119,000. In the area of white collar crime, resources of 28 positions, 22 FTE workyears, and $1,561,000 to support the President's Council on Integrity and Efficiency, and prosecute defense procurement fraud, money laundering schemes, bankruptcy and bank frauds and embezzlement. For affirmative civil enforcement, resources of 80 positions, 60 FTE workyears and $3,970,000 are requested to recover cash owed to the U.S. Government because of fraud and abuse of government programs, drug forfeitures, bankruptcy, real estate foreclosures and debt collection. Finally, the Department is requesting 17 positions, 12 FTE workyears and $522,000 to improve cooperation between Federal, state and local law enforcement agencies by placing coordinators in selected districts, $500,000 for security-related office renovations,and $452,000 for legal education.

Special counsel for discrimination

This activity is responsible for the investigation of charges of discrimination filed by private individuals or by others on their behalf. If such charges are determined to have merit, the Special Counsel for Unfair Employment Practices is authorized to file formal charges before an administrative law judge. The specific provisions and authority for this office are set forth in the newly enacted Immigration Reform and Control Act of 1986, P.L. 99-603. For 1988, the Department requests an additional 30 positions, 23 FTE workyears and $2,315,000 to continue the effort initiated in 1987.

72-165 O—87——18

Legal Activities

Salaries and expenses, General Legal Activities

Justification of Proposed Changes in Appropriation Language

The 1988 budget estimates include proposed changes in appropriation language listed and explained below: New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses, General Legal Activities

For expenses necessary for the legal activities of the Department of Justice, not otherwise provided for, including not to exceed $20,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate; and rent of private or Government-owned space in the District of Columbia; [$200,934,000] _, of which not to exceed $6,000,000 for litigation support contracts shall remain available until September 30, [1988]_ $763,441,000 1989

Provided that of the funds available in this appropriation, [$1,537,000] _shall be available for office automation systems for the legal divisions covered by this appropriation, and for the United States Attorneys [and] the Antitrust Division, and offices funded through Salaries and expenses, General Administration, to remain available until expended: Provided further, That of the funds appropriated to the Department of Justice in [title II of] this Act, not to exceed $1,000,000, may be transferred to this appropriation to pay expenses related to the activities of any Independent Counsel appointed pursuant to 28 U.S.C. 591, et. seq., upon notification by the Attorney General to the Committees on Appropriations of the House of Representatives and the Senate[and approved under said Committees' policies concerning the reprogramming of funds contained in Section 607 of this Act]; Provided further, That amounts obligated under the headings, Salaries and expenses, United States Attorneys and Salaries and expenses, Antitrust Division, shall be merged under this appropriations: Provided further, That the Chief, U.S. National Central Bureau, INTERPOL, may establish and collect fees to process name checks and background records for noncriminal employment, licensing, and humanitarian purposes and, notwithstanding the provisions of 31 U.S.C. 3302, credit not more than $150,000 of such fees to this appropriation to be used for salaries and other expenses incurred in providing these services.

(5 U.S.C. 181, 3101; 15 U.S.C. 4, 9, 18, 21, 1312a; 18 U.S.C. 3192; 19 U.S.C. 1619; 21 U.S.C. 884; 28 U.S.C. 501, 503-506, 516-520, 524-526, 541-550; 40 U.S.C. 1424, 1617, 1694; 50 U.S.C. App. 6; Department of Justice and Related Agencies Appropriation Act, 1987; additional authorizing legislation to be proposed.)

Explanation of changes:

The President's budget request to the Congress for 1987 merged the United States Attorneys into the General Legal Activities appropriation. In 1988, the Department is also including the Antitrust Division in this appropriation. This language also allows the Department to use office automation funds available in this appropriation for the General Administration appropriation. Finally, this language will allow the U.S. National Central Bureau, INTERPOL to collect fees for the processing of name checks and background records for non-criminal employment, licensing, and humanitarian purposes and credit up to $150,000 to this appropriation to cover the expenses incurred for providing such services.

Legal Activities

Salaries and expenses, General Legal Activities

Crosswalk of 1987 Changes

(Dollars in Thousands)

Budget Activity	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			Reprogrammings			1987 Supplementals Requested				1987 Appropriation Anticipated		
										Program			Pay & FERS			
	Pos.	FTE	Amt.	Pos.	FTE	Amt.	Pos.	FTE	Amt.	Pos.	FTE	Amt.		Pos.	FTE	Amt.
Appropriated																
1. Conduct of Supreme Court proceedings and review of appellate matters	40	34	$3,937	...	...	($428)	...	...	...	...	...	$32	$75	40	34	$3,884
2. General tax matters	439	443	35,160	...	...	(1,646)	...	...	...	...	...	795	638	439	443	34,389
3. Criminal matters	769	734	67,147	...	...	(2,154)	...	...	...	...	...	1,479	949	769	734	67,421
4. Claims, customs and general civil matters	984	999	80,902	(36)	(37)	(4,358)	...	...	...	34	8	1,997	1,113	982	980	79,653
5. Land, natural resources and Indian matters	349	338	24,305	...	...	(1,139)	...	...	...	...	...	217	497	349	338	23,980
6. Legal opinions	38	39	3,266	...	...	(111)	...	...	...	4	1	147	61	38	40	3,463
7. Civil rights matters	484	434	29,141	...	...	(1,139)	...	...	...	...	...	237	497	484	434	27,736
8. Interpol-USNCB	44	44	3,141	...	...	(122)	...	...	...	...	...	31	67	44	44	3,088
9. Independent counsel	...	...	...	...	...	...	...	...	...	...	...	2,000	...	...	...	2,000
10. Office automation fund	...	...	10,000	...	...	(8,663)	...	...	...	...	...	...	...	...	...	1,337
11. Antitrust matters	649	631	46,609	...	...	(1,609)	...	...	...	...	...	297	745	649	631	44,644
12. U.S. Attorneys	5,938	5,888	389,868	...	...	(6,818)	...	...	...	...	...	887	6,338	5,938	5,888	388,325
13. Special counsel for discrimination	...	...	...	...	...	...	...	...	...	10	10	1,200	...	10	13	1,200
Total	9,804	9,664	$836,700	(36)	(37)	($33,774)	...	...	...	48	22	$8,972	$8,932	9,832	9,686	$823,898

Congressional Appropriation Actions

Congressional action under P.L. 99-500 reduced uncontrollable increases, reduced some program increases, and continued the Gramm-Rudman-Hollings sequestration.

Supplementals Requested

1. The program supplemental includes $3,302,000 for the forced relocation of Criminal Division personnel from the Federal Triangle building to the Bond Building. The request also includes $2,000,000 for expenses related to the activities of Independent Counsel, appointed pursuant to 28 U.S.C. 591, et. seq. In addition, $3,035,000 is requested for increased immigration litigation work, including the establishment of a special counsel for discrimination, and other legal activities. Finally, $1,635,000 is included for increased telecommunications charges.

2. The supplemental request provides $6,779,000 for increased pay requirements pursuant to P.L. 99-500 and $6,153,000 to cover costs associated with the implementation of the new Federal Employees Retirement System.

Summary of Requirements

(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	9,187	9,148	$280,934
Proposed consolidation of accounts:			
Antitrust Division	649	631	42,000
U.S. Attorneys	9,998	9,988	281,000
1987 pay and retirement supplemental requested	...	...	10,932
1987 program supplemental requested	66	22	8,972
1987 appropriation anticipated	9,853	9,186	622,838
Transfers from other organizations:			
Transfer of Financial and Administrative Services Support Group	...	...	344
Transfer from Interstate Commerce Commission	16	16	863
Savings resulting from management initiatives	109	38	(8,671)
Uncontrollable increases	...	111	89,091
Decrease (estimate non-policy)	...	...	(4,179)
1988 Base	9,987	9,810	670,866

Estimates by Budget Activity	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Conduct of Supreme Court proceedings and review of appellate matters	69	54	$3,861	69	54	$4,173	69	54	$4,331	...	...	$158
2. General law matters	639	643	36,389	621	672	37,489	691	686	48,466	70	54	10,977
3. Criminal matters	749	734	87,421	749	738	91,682	814	771	96,151	65	33	4,469
4. Claims, customs and general civil matters	962	896	76,843	962	925	85,575	1,016	997	99,154	114	72	13,579
5. Land, natural resources and Indian matters	349	335	23,949	343	340	24,430	378	363	33,927	36	23	6,499
6. Legal opinions	39	40	2,648	39	43	2,830	39	43	2,872	...	...	42
7. Civil rights matters	466	434	23,736	466	439	25,992	466	439	26,792	...	...	800
8. INTERPOL-USNCB	44	44	3,099	44	44	3,299	35	53	3,639	13	9	340
9. Independent counsel	...	...	7,000	...	...	7,000	...	...	7,000	...	...	...
10. Office automation fund	...	...	1,537	...	...	1,537	...	...	24,718	...	...	23,181
11. Antitrust matters	649	631	44,001	649	647	48,810	649	862	46,601	(109)	(85)	(2,209)
12. U.S. Attorneys	6,998	6,888	388,215	6,889	6,948	388,431	6,651	6,383	417,886	543	447	30,134
13. Special counsel for discrimination	30	13	1,799	30	30	1,920	60	53	4,235	30	23	2,315
Total	9,853	9,686	622,838	9,987	9,810	670,866	10,646	10,564	765,441	730	856	88,575
Reimbursable FTE		6			6			6			0	
Allocation (Superfund)		132			132			812			80	
Total FTE ceiling		9,794			9,956			10,372			416	
Holiday and Overtime		64			64			62			(2)	
Admin. Uncontrollable O.T.		2			2			2			0	
Total, compensable workyears		9,860			10,022			10,436			414	

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes

Item	Budget Activity													
	Solicitor General		Tax matters		Criminal matters		Claims, customs and general civil matters		Land, natural resources and Indian matters		Office of Legal Counsel		Civil rights matters	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades														
ES-2	...	...	...	...	...	...	...	...	...	...	...	...	..	...
GS/GM-15	...	...	...	...	9	$332	25	$1,345	...	...	...	...	...	...
GS/GM-14	...	...	16	$800	11	353	31	1,371	3	$133	...	...	...	...
GS/GM-13	...	...	20	860	5	214	14	619	5	188	...	...	...	...
GS-12	...	...	10	442	1	36	2	65	2	221	...	...	...	...
GS-11	...	...	2	66	1	30	4	162	1	36	...	...	...	...
GS-9	...	...	5	135	1	28	2	158	...	...	...	...	...	...
GS-8	...	...	3	123							...	...	...	...
GS-7	...	...	2	44	2	60	15	277	3	58	...	...	...	...
GS-6	...	...	1	29	2	127	4	66	2	32	...	...	...	...
GS-5	...	...	1	18	5	91	8	119	1	16	...	...	...	...
GS-4	...	...	...	...	1	13	...	...	4	51	...	...	...	...
Ungraded	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total positions and annual rate	...	...	70	2,730	45	1,702	114	4,182	26	739	...	...	...	...
Lapse (-)	...	...	-16	(624)	(12)	(336)	(42)	(861)	(3)	(162)	...	...	...	...
Reduction of lapse	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Other than permanent	...	...	...	...	...	175	...	...	...	...	...	...	...	...
Overtime and holiday	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total workyears and pers. compensation	...	...	54	2,106	33	1,541	72	3,321	23	577	...	...	...	...
Personnel benefits		...		334		363		675		62		...		...
Travel and transportation of persons		...		400		673		494		128		...		...
Transportation of things		...		66		31		...		...		...		...
GSA rent		...		460		262		...		...		...		...
Comm., utilities and miscellaneous charges		...		836		234		...		...		...		...
Printing		...		66		84		...		...		912		...
Other services		900		5,460		1,030		8,273		5,692		30		8000
Supplies		8		132		83		130		21		10		...
Equipment		70		1,909		140		676		62		...		...
Total	...	150	54	$0,977	33	4,669	72	$3,579	23	6,999	...	42	...	8000

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes

Item	INTERPOL-USNCB		Legal activities office automation		Antitrust matters		United States Attorneys		Special counsel for discrimination		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades												
ES-2	...	...	...	...	...	...	...	...	1	$54	1	$64
GS/GM-15	...	...	...	...	...	...	...	...	4	208	38	2,095
GS/GM-14	...	...	...	...	...	...	...	...	6	264	47	3,171
GS/GM-13	...	...	...	...	(6)	($275)	...	...	8	304	48	1,952
GS-12	...	...	...	...	(16)	($71)	...	...	...	...	17	663
GS-11	6	$156	...	...	(16)	($34)	...	...	7	182	7	188
GS-9	...	...	...	...	(2)	($4)	33	$700	...	...	44	1,663
GS-8	...	...	...	...	(4)	($8)	...	...	2	68	3	83
GS-7	6	136	...	...	(25)	($59)	136	2,494	2	36	141	2,612
GS-6	...	...	...	...	(12)	($19)	...	...	...	...	2	46
GS-5	...	...	...	...	(11)	($16)	126	1,836	...	...	128	1,994
GS-4	...	...	...	...	(4)	($2)	...	...	...	...	1	14
Ungraded	...	...	...	...	(4)	($8)	249	14,362	...	...	245	14,314
Total positions and annual rate	12	282	...	...	(100)	(2,234)	542	19,432	30	1,098	739	27,911
Lapse (-)	(3)	($84)	...	...	15	336	($75)	($1,994)	-7	-256	($63)	($5,941)
Reduction of lapse	...	...	...	...	...	...	...	...	...	...	...	...
Other than permanent	...	...	...	...	...	...	...	...	...	...	...	$78
Overtime and holiday	...	...	...	...	...	...	...	$57	...	...	...	$57
Total workyears and pers. compensation	9	$78	...	...	($5)	($1,898)	467	$15,995	23	$942	536	$22,302
Personnel benefits		22		...		($211)		2,464		$6		3,375
Travel and transportation of persons		...		...		...		1,264		$57		3,113
Transportation of things		...		...		...		$23		$2		$27
GSA rent		...		...		...		1,546		$34		2,307
Comm., utilities and miscellaneous charges		...		$302		...		$84		$30		2,726
Printing		...		...		...		$7		$5		$86
Other services		$40		10,663		...		5,643		$20		37,529
Supplies		...		...		...		$70		$8		$32
Equipment		...		12,216		...		$98		$34		15,473
Total	9	$40	...	23,181	($5)	(2,109)	467	28,124	73	2,313	$36	88,575

Status of Congressionally Requested Studies, Reports, and Evaluations

1. The Senate Report relating to Department of Justice Appropriation Act, 1987 (Senate Report No. 99-425) required the Department to report by February 1, 1987, on whether the Palestine Information Office (PIO) in Washington, D.C. has fully complied with the Foreign Agents Registration Act. On the basis of a review of the registration statements filed under the Act by the PIO, together with a recent inspection of the registrant's books and records, there appears no indication of any significant violation of the Act by the registrant. The PIO, however, has been requested to file amendments to its registration which will more completely set forth its activities. The registrant has indicated that it will file the requested amendments.

Legal Activities

Salaries and Expenses, General Legal Activities

Detail of Personnel Positions by Category

Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized Request	1987 Program Supplemental	1987 Total	1988 Transfer in the Est.	1988 Mgmt. Savings	1988 Program Decreases	1988 Program Increases	1988 Total
Attorneys	4,538	4,641	39	4,680	18	(101)	(23)	63	4,997
Paralegal Specialists	646	672	7	679	...	249	(89)	109	1,029
Other Legal and Kindred	1,064	1,064	2	1,066	...	...	...	9	1,075
Social Sciences, Economics and Kindred	72	71	1	72	6	...	(15)	1	64
Personnel Management	29	29	...	29	...	...	...	...	29
General Administrative, Clerical and Office Services	3,139	3,207	17	3,224	...	(39)	(54)	207	3,418
Accounting and Budget	41	40	...	40	...	...	...	...	40
Information and Arts Group	0	4	...	4	...	...	...	...	4
Supply Group	3	3	...	3	...	...	...	...	3
Other Miscellaneous	33	33	2	35	...	...	...	2	37
TOTAL	9,569	9,764	68	9,832	16	109	(180)	839	10,696
[illegible]	3,636	3,696	68	3,764	16	(41)	(180)	272	3,711
U.S. FIELD	6,132	6,267	...	6,267	...	150	...	567	6,984
FOREIGN FIELD	1	1	...	1	...	...	...	...	1
TOTAL	9,569	9,764	68	9,832	16	109	(180)	839	10,696

Summary of Adjustments to Base

(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	3,157	3,145	$208,934
Proposed consolidation of accounts:			
Antitrust Division	449	431	43,000
U.S. Attorneys	5,958	5,858	351,000
1987 pay and retirement supplemental requested	...	...	10,932
1987 program supplemental requested	68	22	8,972
1987 appropriation anticipated	9,832	9,656	622,838
Transfers from other organizations:			
Transfer of Financial Administrative Systems Group (FASG)	...	...	244
Transfer from Interstate Commerce Commission	16	16	843
Savings resulting from management initiatives	109	35	(4,471)
Uncontrollable increases:			
One additional compensable day	...	...	1,423
Annualization of 1987 relocation and program supplemental	...	46	2,685
Annualization of additional 1987 positions	...	65	2,824
Annualization of 1987 Federal Employees' Retirement System costs	...	...	18,305
Annualization of 1987 pay increase	...	...	8,734
Within-grade increases	...	...	2,091
Retirement contributions-Social Security (FICA)	...	...	114
Medicare costs	...	...	26
Locality based per diem	...	...	747
Federal Employees' Compensation Act (FECA)-Workers' Compensation	...	...	(93)
GSA Rent	...	...	11,578
GSA recurring reimbursable services	...	...	112
Federal Telecommunications System (FTS)	...	...	757
Telephone service	...	...	330
GPO printing costs	...	...	94
Employee data and payroll services	...	...	384
Foreign allowances	...	...	5
Distributed Administrative Support	...	...	...
Audio visual and media services	...	...	73
General pricing level adjustment	...	...	3,672
Administrative salary increase	...	...	5,650
Total, uncontrollable increases	0	111	59,591
Decreases (automatic non-policy):			
Reduction for change in hourly rate	...	...	(849)
Reduction in health benefits	...	...	(444)
Reduction in per page cost of the FR & CFR	...	...	(8)
Nonrecurring costs for 1987 relocation and program supplements	...	...	(2,823)
Nonrecurring costs for background investigations	...	...	(38)
Nonrecurring costs for equipment	...	...	(18)
Total, decreases	0	0	(4,179)
1988 Base	9,957	9,819	676,844

General Legal Activities

Salaries and expenses

Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Savings resulting from management initiatives	109	35	-$4,471

The Department proposes a saving of $2.534 million by reducing the current Assistant U.S. Attorney approved position level by 100 and replacing it with 250 paralegal positions; $600,000 by better managing commercial litigative expenses; and $1.024 million by consolidating like functions and eliminating layering within the Executive Office for U.S. Attorneys (EOUSA). The latter initiative to reduce EOUSA is predicated on the relocation and consolidation of various EOUSA offices to one site in Washington, D.C. This cost savings will not be fully realized if physical fragmentation of the Executive Office continues. The remaining personnel and funding reductions for the Tax and Civil Rights Divisions are associated with the net savings from elimination of certain general administrative, managerial and clerical positions and the performance of these functions by private contractors.

Transfer of Financial and Administrative Systems Support (FASS) group	...	...	244

This represents the transfer of the Financial and Administrative Systems Support Group from the General Administration to the Working Capital Fund. The transfer of this group will place all of JMD financial, administrative systems support services on a user-reimbursable basis.

Transfer from Interstate Commerce Commission	16	16	843

This represents the transfer of rail-related activities from the Interstate Commerce Commission. The Justice Department would assume responsibility for reviewing applications for rail-related mergers, consolidations and acquisitions.

Uncontrollable increases:

1. One additional compensable day	...	...	1,423

The annual salary rate for Federal employees is based on 260 paid days. FY 1988 has one more compensable day (262) than 1987 (261). (Permanent personnel compensation $338,840,000 divided by 260 = $1,303,000 plus $120,000 for benefits.)

2. Annualization of 1987 program and Bond Building supplementals	...	46	2,635

As the result of a forced relocation, the Criminal Division will be consolidating its personnel in two buildings, Main Justice and the Bond Building. Because GSA rental charges are distributed among all of the Washington, D.C. area offices, the increased rental charges were charged to all Washington, D.C. area offices for a portion of the year. This request ($336,000) represents the annualization of those costs. In addition, 46 full-time equivalent (FTE) workyears and

	Perm. Pos.	Work-years	Amount
$2,349,000 is requested as an annualization of program supplementals for the Civil Division, Office of Legal Counsel and the Special Counsel for discrimination.			
3. Annualization of additional positions approved in 1987	...	65	$2,824

	Approved 1987 Increases	Annualization Required
Annual salary rate of approved positions	$10,076,000	
Less lapse (25%)	-2,519,000	$2,519,000
Net compensation	7,557,000	
Associated employee benefits	907,000	305,000
Total costs subject to annualization	-8,464,000	2,824,000

4. Annualization of Federal Employees' Retirement System Costs	...	...	18,385

This request provides for the additional costs in 1988 necessary to continue implementation of the Federal Employees' Retirement System Act of 1986, P.L. 99-335. This Act established a retirement program for Federal civilian employees and postal workers hired after December 31, 1983 who are covered by social security, and for employees under the Civil Service Retirement system who choose to transfer into the new system. The calculations were determined from an OMB approved formula. Total annualization required is $18,385,000.

5. Annualization of 1987 pay increase	...	...	8,734

This request provides for the annualization of the January 4, 1987 pay increase. The calculation of the amount required for annualization is based on 261 compensable days in 1987 and 48 paid days (October 1, 1986 through January 3, 1987) not included in the pay raise amount of $9,550,000. Additionally, $4,779,000 of the 1987 pay requirement was absorbed. Total annualization required is $8,734,000.

6. Within-grade increases	...	...	2,091

This request provides for an expected increase in the cost of within-grade increases exclusive of Assistant U.S. Attorneys' salaries covered by administrative salary increases. This increase is generally consistent with increases experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $1,854,000 and benefits $237,000 = $2,091,000).

7. Retirement contributions - Social Security (FICA)	...	...	114

Beginning January 1, 1985, the base on which earnings for Social Security computations are calculated increased from $37,800 to $39,600. Additionally, beginning January 1, 1986, the base for computation increased to $42,000 and the rate changed from 7.0 to 7.15 percent. This increase is computed for 372 eligible employees.

	Perm. Pos.	Work-years	Amount
8. Medicare costs	...	...	$26
Beginning January 1, 1985, the base on which earnings for medicare computations are calculated increased from $37,800 to $39,600. Additionally, beginning January 1, 1986, the base for computation increased to $42,000 and the rate changed from 1.35 to 1.45 percent. The increase is computed for 9,469 eligible employees.			
9. Locality based per diem	...	...	747
Public law 99-234 authorized a new locality-based per diem and lifted the $75.00 ceiling in certain geographic areas. An uncontrollable increase of $747,000 is required to meet the expected four percent increase in total travel funds.			
10. Federal Employees' Compensation Act (FECA) - Workers' Compensation	...	...	-93
This decrease reflects the billing provided by the Department of Labor for the actual costs in 1986 of employees' accident compensation. The 1988 amount will be $784,000, or $93,000 below the 1987 base of $877,000.			
11. GSA Rent	...	...	11,578
In 1987 the Rent System replaces the Standard Level User Charges (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $11,578,000 is required to meet our commitment to GSA.			
12. GSA recurring reimbursable services	...	...	112
Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.2 percent increase of $112,000 in fees for these services in 1988 over 1987 charges of $2,762,000.			
13. Federal Telecommunication System (FTS)	...	...	737
The General Services Administration (GSA) has advised of a 16 percent increase in FTS Intercity costs for 1986. This increase is mainly due to unanticipated tariff increases, savings GSA had built into their original budget estimate which will not materialize and FY 1985 costs which were not billed by GSA last year. An increase of $737,000 over the revised 1987 base of $8,253,000 is requested.			
14. Telephone service	...	...	538
On February 25, 1986, the District of Columbia Public Service Commission (PSC) issued its final order in the Chesapeake and Potomac telephone company (C&P) rate case. The PSC, in its order, allowed C&P to increase its rates by $91 million and set the rates for C&P's intrastate services.			
The PSC order affects the rates the Federal Executive Agencies will pay for basic exchange service, CENTREX services, service connections, direct inward dialing services and channel			

	Perm. Pos.	Work-years	Amount
services. These changes will increase the FY 1987 cost of operating the Justice Telecommunications Service (JTS) by an estimated $552,000.			
An increase of $539,000 is requested to pay these charges.			
15. GPO printing costs	...	...	$94
The Government Printing Office (GPO) is currently projecting a 3 to 4 percent increase over the 1987 printing cost of $2,250,000. An additional $94,000 will be required in 1988.			
16. Employee data and payroll services	...	...	384
Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information system maintenance and payroll accounting are based on the number of records maintained. The rate of $145.64 per record in FY 1986 will be raised to $155.76 per record for FY 1988. The change of $108,000 is based on anticipated uncontrollable cost increases of 6.9 percent for the operation of the Justice Employee Data Service. In addition, $276,000 has been included to improve the Human Resources Management Information System (HRMIS). This improvement will enhance the productivity of all Department components as well as the support units of accounting, budgeting an procurement. This retooling of support systems will allow the Department to operate an efficient, effective and businesslike administrative operation.			
17. Foreign allowances	...	...	5
Allowances for Government employees in foreign areas are determined by the Department of State. The State Department anticipates a 7.9 percent increase in 1988. The requested increase of $5,000 provides 7.9 percent more than the $64,000 budgeted for 1987.			
18. Audio visual and media services	...	...	73
This increase reflects proposed rate increases for various types of audiovisual services that range from seven to 240 percent higher than present rates. An estimated 16.5% overall increase will be assigned to each affected organization for 1988. This equates to an increase of $73,000 over the 1987 base of $400,000.			
19. General pricing level adjustment	...	...	3,672
This request applies OMB pricing guidance as of July 1986 to selected expense categories. The increased costs identified result from applying a factor of 3.7 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.			

	Perm. Pos.	Work-years	Amount
20. Administrative salary increase	...	...	85,650
Assistant U.S. Attorneys occupying ungraded permanent positions are, under certain circumstances, granted successive annual pay increases at varying rates until a maximum level is reached.			
Total uncontrollable increases	...	111	59,591
Decreases (Automatic non-policy):			
1. Reduction for change in hourly rate	...	...	-849
Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985 required that the computation of annual salary rates be based on 2,087 hours rather 2,080. The same amount that was reduced in 1984 and restored in 1986 is requested for reduction in 1988.			
2. Reduction in health benefits	...	...	-444
The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1986, the Department's actual contribution to health insurance decreased approximately six percent due primarily to reduced carrier rates. The requested decrease includes $444,000 for decreased rates over the 1987 budgeted base of $7,400,000.			
3. Reduction in per page cost of the Federal Register and the Code of Federal Regulations	...	...	-8
The Legislative Branch Appropriation Act of 1978 (P.L. 95-961) amended the Federal Register Act to require Federal agencies to reimburse the Government Printing Office for costs of printing, binding and distributing the Federal Register (FR) and the Code of Federal Regulations (CFR). The current cost estimates from GPO indicate a per page cost of $390 for the FR and $55 for the CFR for 1988. This represents an $18 per page decrease for the FR and a $5 page decrease for the CFR.			
4. Nonrecurring costs for 1987 relocation and program supplementals	...	...	-2,822
The Criminal Division will incur $822,000 in one-time relocation costs in moving its personnel from the Federal Triangle, Hamilton and Old Dominion (VA.) Buildings to the Bond Building. The $822,000 is requested in a 1987 supplemental for telephone relocations, electrical outlets, vaults, alarms, door locks and variety of other one-time purchases. In addition, the Department will incur $2,000,000 in one-time costs for expenses related to the operation of Independent Counsel in 1987.			
5. Nonrecurring costs for background investigations	...	...	-38
This represents a reduction in one-time costs for Background Investigations for new positions approved in 1987.			

	Perm. Pos.	Work-years	Amount
6. Nonrecurring costs for equipment	...	...	-$10
This represents a reduction of $10,000 for one-time equipment purchases for the U.S. Attorneys.			
Total decreases	...	...	-4,172
Total, adjustments to base	...	111	55,412

Salaries and expenses, General Legal Activities

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Grades and salary ranges	1987 Estimate		1988 Request		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Executive Level III, $79,900	1		1		0	
Executive Level IV, $79,900	7		7		0	
ES-6, $72,300	3		3		0	
ES-5, $70,900	7		7		0	
ES-4, $70,900	97		97		0	
ES-3, $68,543	15		15		0	
ES-2, $66,000	17		18		1	
ES-1, $63,136	13		13		0	
GS/GM-15, $53,530 - $69,578	847		890		43	
GS/GM-14, $63,755 - $69,588	514		531		17	
GS/GM-13, $50,727 - $65,948	415		462		47	
GS-12, $38,867 - $43,541	290		306		16	
GS-11, $37,175 - $38,338	136		139		3	
GS-10, $34,138 - $38,140	24		24		0	
GS-9, $33,160 - $38,190	136		226		91	
GS-8, $30,353 - $34,435	302		321		3	
GS-7, $28,258 - $31,609	1,158		1,366		236	
GS-6, $26,251 - $31,400	1,306		1,306		(0)	
GS-5, $24,523 - $28,988	779		992		202	
GS-4, $23,038 - $27,238	288		350		(10)	
GS-3, $21,882 - $25,329	106		101		(4)	
GS-2, $20,018 - $23,811	12		12		0	
Ungraded	2,730		2,888		140	
Total, appropriated positions	9,832	$368,724	10,886	$403,302	954	$43,668
Pay above stated annual rate	0	1,131	0	2,481	0	1,368
Lapse	(333)	(10,019)	(700)	(20,530)	(170)	(8,698)
Net savings due to lower pay scales for part of the year	0	(2,006)	0	0	0	2,006
Net full-time permanent	9,299	338,840	9,867	379,344	684	40,504
Other than permanent:						
Part-time permanent	74	2,067	74	2,098	0	191
Temporary employment	267	11,574	277	11,813	10	239
Other part-time and intermittent employment	16	454	16	467	0	13
Other personnel compensation:						
Overtime	58	2,863	61	3,367	2	504
Other compensation	3	270	1	37	(4)	(233)
Admin. uncontroll. overtime	3	112	3	118	0	6
Special personal services payments	0	2,564	0	2,926	0	362
Total, workyears and personal compensation	9,722	360,804	10,415	401,288	686	41,984
Average SES Salary		$73,013		$73,840		
Average GS/GM Salary		$38,421		$38,888		
Average GS/GM Grade		8.87		8.83		

Legal Activities

Salaries and Expenses, General Legal Activities

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class	1987 Estimate Workyears	1987 Estimate Amount	1988 Request Workyears	1988 Request Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11 Personnel compensation:						
11.1 Permanent positions	9,239	$338,840	9,907	$378,344	668	$40,504
11.3 Positions other than permanent	367	14,935	367	15,478	10	543
11.5 Other personnel compensation	66	3,265	64	3,540	(2)	275
11.8 Special personnel services payments	0	2,564	0	2,926	0	362
Total	9,722	359,604	10,418	401,288	696	41,684
Reimbursable & allocation workyears:						
Full-time permanent	6	0	6	0		
Other than permanent	192	0	212	0		
Other objects:						
12 Personnel benefits		46,434		69,346		22,912
13 Benefits for former personnel		203		203		0
21 Travel and transportation of persons		18,462		22,732		4,270
22 Transportation of things		3,029		3,361		332
23.1 Standard level user charges		56,606		71,605		14,999
23.2 Rental payments to others		192		212		20
23.3 Communications, utilities and other rent		44,884		49,502		4,618
24 Printing and reproduction		5,140		5,834		694
25 Other services		69,999		103,160		33,161
26 Supplies and materials		6,165		7,361		1,196
31 Equipment		11,535		28,224		16,689
41 Grants, subsidies and contributions		565		623		58
91 Unvouchered		0		0		0
Total obligations		822,838		763,441		140,803
Unobligated balance, start-of-year		(2,030)		0		
Unobligated balance, end-of-year		0		0		
Total requirements		820,808		763,441		
Relation of obligations to outlays:						
Total obligations		822,838		763,441		
Obligated balance, start-of-year		75,166		100,741		
Obligated balance, end-of-year		(100,471)		(117,270)		
Outlays		597,533		746,912		

Legal Activities

Salaries and expenses, General Legal Activities

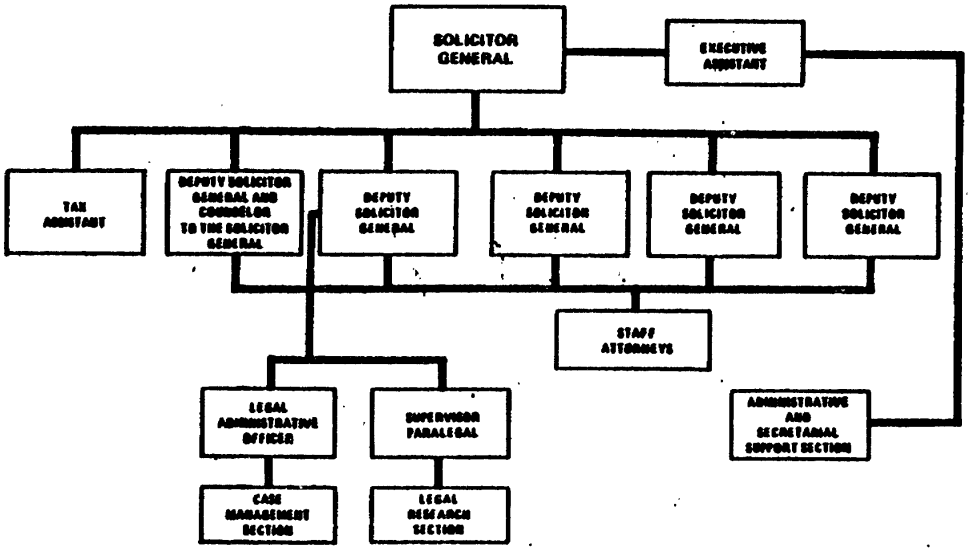
Consulting and Related Services

(Dollars in thousands)

	1986 Actual	1987 Estimate	1988 Estimate
Consulting Services	434	485	1,179
Management and Professional Services	68	93	51
Special Studies and Analyses	...	...	...
Total	502	578	1,230

Consulting and related services are used in the General Legal Activities appropriation only for services which cannot be performed in-house. Services are required primarily for the development and implementation of automated litigation support projects. To a lesser extent, consultants are occasionally employed to render technical or expert advice without the requirement to testify in court, and in these few cases they would be employed as consultants rather than expert witnesses.

OFFICE OF THE SOLICITOR GENERAL



Approved: _____ Date: 1/24/-

William French Smith
Attorney General

Office of the Solicitor General

Salaries and expenses, General Legal Activities

Crosswalk of 1987 Changes

(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional-Appropriation Actions on 1987 Request			Reprogrammings			1987 Supplemental Requested				1987 Appropriation Anticipated		
										Program			Pay & PERS			
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Amt.	Pos.	WY	Amt.
1. Conduct of Supreme Court proceedings and review of appellate matters...	49	54	$3,937	...	...	$-181	...	...	...	...	...	$32	$73	49	54	$3,861

Congressional Appropriation Action

Final congressional action enacted under P.L. 99-500 reduced the President's budget request by $181,000.

Supplementals Requested

1. The program supplemental request of $32,000 includes $25,000 for the increased space charges for a portion of the year associated with the move of the Criminal Division into the Bond Building. Also included is $7,000 for increased rates charged for access to the Federal Telecommunications System.

2. The request of $73,000 provides $35,000 to meet increased pay rate requirements pursuant to P.L. 99-500, and $38,000 to meet increased federal employees' retirement system costs pursuant to P.L. 99-335.

Solicitor General

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	49	54	$3,756
Supplementals requested:			
Pay and retirement supplemental requested	...	...	73
Program supplemental requested	...	...	32
1987 appropriation anticipated	49	54	3,861
Uncontrollable increases:			
One additional compensable day	...	...	9
Annualization of 1987 Bond Building supplemental	...	...	5
Annualization of 1987 Federal Employees Retirement System supplemental	...	...	115
Annualization of 1987 pay supplemental	...	...	60
Within-grade increases	...	...	24
GSA Rent	...	...	75
GSA recurring reimbursable services	...	...	1
Telephone service	...	...	4
GPO printing costs	...	...	14
Employee data and payroll services	...	...	2
Audio visual and media services	...	...	1
General pricing level adjustment	...	...	7
Total, uncontrollable increases	...	...	317
Decreases (automatic non-policy):			
Reduction for change in hourly rate	...	...	-2
Reduction in health benefits	...	...	-3
Total, decreases	...	...	-5
1988 base	49	54	4,173

Estimates by budget activity	1986 as Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amount
1. Conduct of Supreme Court proceedings and review of appellate matters...	45	54	$3,562	45	49	$3,587	49	54	$3,861	49	54	$4,173	49	54	$4,331	...	...	$158

Solicitor General

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Conduct of Supreme Court proceedings and review of appellate matters	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity.....	49	54	$3,861	49	54	$4,173	49	54	$4,331	...	...	$158

The Office of the Solicitor General is responsible for conducting and supervising all aspects of Government litigation in the Supreme Court of the United States. The Office also acts upon every case in which a decision is rendered in any court against the United States to determine whether an appeal will be undertaken. In addition, the Solicitor General also determines whether the Federal Government should file a brief as amicus curiae in any case of particular interest in any appellate court.

Long-Range Goal: To be as effective as possible in the conduct of all aspects of Government litigation in the appellate courts and the U.S. Supreme Court.

Major Objectives:

To adequately represent the interests of the U.S. Government in cases before the Supreme Court.

To review appellate cases to determine their suitability for appeal to the U.S. Supreme Court or to a lower Federal Appellate Court.

To meet all filing dates of cases before the U.S. Supreme Court.

Base Program Description: The major function of the Solicitor General's Office is to supervise the handling of government litigation in the Supreme Court of the United States.

The Office of the Solicitor General is the Government's foremost legal office. The original Statutory Authorization Act of June 22, 1870, states: "There shall be in the Department of Justice an officer learned in the law, to assist the Attorney General in the performance of his duties to be called the Solicitor General." As stated in 28 C.F.R. 0.20, the general functions of the Office are as follows: (1) conducting, or assigning and supervising all Supreme Court cases, including appeals, petitions for and in opposition to certiorari, briefs and arguments; (2) determining whether, and to what extent, appeals will be taken by the Government to all appellate courts (including petitions for rehearing en banc and petitions to such courts for the issuance of extraordinary writs); (3) determining whether a brief amicus curiae will be filed by the Government, or whether the Government will intervene, in any appellate court; (4) assisting the Attorney General, the Deputy Attorney General and the Associate Attorney General in the development of broad Department program policy.

Accomplishments and Workload: Recent accomplishments and workload of the Office of the Solicitor General are presented as follows:

	1985	1986	Estimates 1987	Estimates 1988
Cases:				
Pending, beginning of term	370	297	398	412
Received	1,864	1,626	2,052	2,147
Terminated	1,850	1,575	2,038	2,138
Pending, end of term	384	348	412	426
Other Activities:				
Appellate determinations	1,440	1,801	1,512	1,512
Certiorari determinations - 1/	689	710	723	723
Miscellaneous recommendations - 2/	345	542	362	362

Explanation: The Office of the Solicitor General does not initiate any programs or have any control of the Supreme Court litigation it conducts or the number of recommendations it handles. All of the Office's work results from lawsuits initiated by one of the operating divisions of the Department or by an independent regulatory agency. All figures for Cases are based on Supreme Court terms; Other Activities figures are based on fiscal years.

1/ Includes certiorari authorizations, no certiorari decisions, direct appeal authorizations and no direct appeal decisions.

2/ Miscellaneous decisions include the following: amicus participation, mandamus, rehearing, settlement, bails, stays, etc. This figure does not include oral arguments in the Supreme Court, conferences, correspondence, etc.

Cases heard during the 1986 Term in which the Solicitor General's Office has participated include those in which the Court has held that: (1) the Due Process Clause is not implicated when a mentally insane defendant confesses a crime to police officials (Colorado v. Connelly); (2) the Panama Canal Treaty does not exempt United States citizens working in the Canal Zone from paying United States income taxes (O'Connor v. United States); (3) an employer does not violate the civil rights laws if it can demonstrate that it has attempted a reasonable accommodation of an employee's religious beliefs (Ansonia Board of Education v. Philbrook); (4) a court may only award attorney's fees in an action to enforce the civil rights laws, and not in an action solely to recover those fees (North Carolina Department of Transportation v. Crest Street Community Council).

Cases heard during the 1986 Term in which the Solicitor General's Office has filed a brief include those arguing that: (1) the neutral use of the term "political propaganda" in the Foreign Agents Registration Act of 1938 does not violate the First Amendment (Meese v. Keene); (2) preventive detention of criminals who pose a danger to the community does not violate the Due Process Clause (United States v. Salerno); (3) Section 504 of the Rehabilitation Act of 1973 does not prohibit an employer from discriminating among workers based on concern about contagiousness (School Board of Nassau County v. Arline); (4) a one-black-for-one-white promotion quota violates guarantees of equal protection under the Fifth and Fourteenth Amendments (United States v. Paradise); (5) a statute regulating the rates that cable television operators can be charged by those who have permitted the attachment of the cable operators' wires to their utility poles does not effect a "taking" under the Fifth Amendment (FCC v. Florida Power Corp.); (6) an alien's burden of proving eligibility for asylum is equivalent to his burden of proving eligibility for withholding of deportation (INS v. Ponseca).

Program Changes: As a result of Gramm-Rudman cuts in 1986, the Office of the Solicitor General was unable to buy out existing computer equipment or expand the existing case-tracking system to ultimately link (network) the entire office. This increase will allow the Office of the Solicitor General to do away with a partial manual case-tracking system, thereby utilizing personnel resources more effectively.

Office of the Solicitor General

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Federal Appellate	
	Pos.	Amount
Other services	...	$80
Supplies and materials	...	8
Equipment	...	70
Total workyears and obligations, 1988	...	158

Office of the Solicitor General

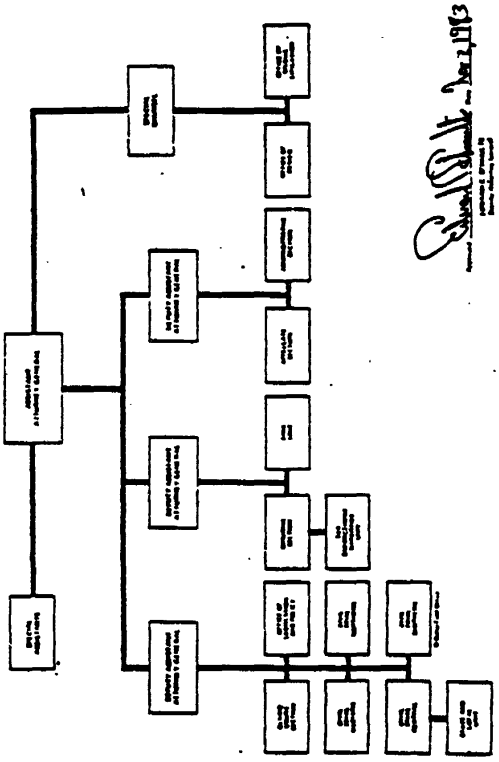
Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized	1988 Request
Attorneys (905)	20	20	20
Paralegal Specialists (950)	6	8	8
Other Legal and Kindred (900-998)	4	4	4
Gen. Admin., Clerical and Office Svc. (300-399)	15	17	17
Total	45	49	49
Washington	45	49	49

B1

TAX DIVISION



Tax Division

Salaries and expenses, General Legal Activities

- Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			Reprogrammings			1987 Supplemental Requested				1987 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Program Pos.	Program WY	Pay & FERS Amount		Pos.	WY	Amt.
Federal appellate activity.....	102	99	$5,471	...	...	-$286	...	...	...	...	...	$ 44	$96	102	99	$5,325
Criminal tax prosecution	106	107	6,698	...	...	-350	...	...	...	...	...	56	121	106	107	6,525
Civil tax litigation	319	314	17,652	...	...	-922	...	...	...	...	...	148	319	319	314	17,197
Organized crime drug enforcement ...	14	12	952	...	...	-50	...	...	...	...	...	8	19	14	12	929
Management and administration.....	98	111	4,329	...	...	-38	...	...	...	...	...	39	83	98	111	4,413
Total.....	639	643	35,102	...	...	-1,646	...	...	...	...	...	295	638	639	643	34,389

Explanation of Analysis of Changes from 1987 Appropriation Request

Congressional Appropriation Actions

Final Congressional action enacted under P.L. 99-500 reduced the President's budget request for the Tax Division by $1,646,000 in requested budget authority.

Supplementals Requested

1. The supplemental request for $295,000 provides necessary funds for unanticipated and presently unfunded budget requirements, specifically for relocation costs and additional Federal Telecommunications Systems costs.

2. The pay request provides $226,000 to meet increased pay requirements in P.L. 99-500 and $412,000 to cover costs associated with the implementation of the new Federal Employees Retirement System.

Tax Division

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-Years	Amount
1987 as enacted	639	643	$33,456
1987 Pay and retirement supplemental requested	...	...	638
1987 Program supplemental requested	...	...	295
1987 appropriation anticipated	639	643	34,389
Transfer to other accounts:			
Financial & administrative systems support group	...	...	21
Savings resulting from management initiatives	-18	-17	-193
Uncontrollable increases:			
One additional compensable day	...	...	129
Annualization of 1987 GSA rent supplemental	...	...	40
Annualization of additional 1987 positions	...	6	197
Annualization of 1987 FERS supplemental	...	...	1,219
Annualization of 1987 pay supplemental	...	...	400
Within-grade increases	...	...	298
Retirement contributions - Soc. Sec. (FICA)	...	...	5
Medicare costs	...	...	1
Locality based per diem	...	...	75
GSA Rent	...	...	659
GSA recurring reimbursable services	...	...	6
Federal Telecommunications System (FTS)	...	...	49
Telephone service	...	...	39
Employee data and payroll services	...	...	26
General pricing level adjustment	...	...	214
Audio visual and media services	...	...	6
Total, uncontrollable increases	621	6	3,363
Decreases (automatic non-policy):			
Reduction for change in hourly rate	...	...	-43
Reduction in health benefits	...	...	-48
Total, decreases	...	...	-91
1988 Base	621	632	37,489

Estimates by budget activity	1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. General tax matters	634	644	$ 32,615	639	643	$34,389	621	632	$37,489	691	686	$48,466	70	54	$10,977

Tax Division

Salaries and expenses, General Legal Activities

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1986 as Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
General tax matters:																		
Federal appellate activity.....	90	91	$4,660	90	94	$4,632	102	99	$5,325	101	100	$5,801	113	109	$8,149	12	9	$2,348
Criminal tax prosecution.....	106	107	6,190	106	109	6,164	106	107	6,525	104	105	7,132	110	110	7,903	6	5	771
Civil tax litigation activity..	331	326	16,893	331	331	16,893	319	314	17,197	311	310	18,750	357	345	25,919	46	35	7,169
Organized crime drug enforcement	9	9	655	9	8	653	14	12	929	14	13	1,025	20	18	1,714	6	5	689
Management and administration..	98	111	4,240	98	102	4,273	98	111	4,413	91	104	4,781	91	104	4,781	...	...	...
Total.....	634	644	32,638	634	644	32,615	639	643	34,389	621	632	37,489	691	686	48,466	70	54	10,977
Other Workyears																		
Holiday.....		...			...			...			...			...			...	
Overtime.....		6			6			6			6			6			...	
Total compensable workyears.....		650			650			649			638			692			54	

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: General tax matters	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity.....	102	99	$5,325	101	100	$5,801	113	109	$8,149	12	9	$2,348
Criminal tax prosecution.....	106	107	6,525	104	105	7,132	110	110	7,903	6	5	771
Civil tax litigation	319	314	17,197	311	310	18,750	357	345	25,919	46	35	7,169
Organized crime drug enforcement	14	12	929	14	13	1,025	20	18	1,714	6	5	689
Management and administration..	98	111	4,413	91	104	4,781	91	104	4,781	---	---	---
Total.....	639	643	34,389	621	632	37,489	691	686	48,466	70	54	10,977

The Tax Division, as primary counsel for the Internal Revenue Service (I.R.S.), assists I.R.S. officials in enforcing the tax laws of the United States. In this regard, the Tax Division plays a significant role in assessing, collecting, and enhancing revenue for the Federal Treasury. The effective initiation of criminal tax prosecutions and management of civil tax litigation reinforces the faith of the American taxpayer in the United States tax system. This, in turn, results in greater compliance with internal tax revenue laws accompanied by an increase in Federal revenue and an associated reduction in the Federal deficit.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity .	102	99	$5,325	101	100	$5,801	113	109	$8,149	12	9	$2,348

Long-Range Goal: To ensure that the Government adheres to and enforces uniform and equitable policy positions on all tax related matters arising before various Federal and State Appellate Courts.

Major Objectives:

To maintain the quality of the Government's written and oral advocacy in tax cases that are appealed to the various Appellate Courts, despite increasing caseloads.

To recommend appeal of adverse Appellate Court determinations or Supreme Court review of adverse determinations to better protect the Government and the public interest in ensuring an equitable Federal tax system.

To prepare quality briefs, petitions, and other legal documents required by the Solicitor General for submission to the Supreme Court.

To adequately and effectively interpret complex new tax statutes, such as the Tax Reform Act of 1986, in cases being presented in various Federal and State Appellate Courts.

To develop an expanded appellate workload management data base and utilize appellate litigation research tools more effectively.

Base Program Description: The Federal Appellate Section is responsible for preparing and presenting the Government's written and oral arguments in all civil tax cases on appeal to the United States Courts of Appeals and to the various State Appellate Courts. Similarly, it handles or supervises the presentation of legal documents and arguments in criminal tax cases on appeal to the United States Court of Appeals. Although the U.S. Attorneys actually handle most criminal cases under appeal, this is done in direct consultation with, and under the supervision of, Tax Division attorneys in the Federal Appellate Section. However, it should be noted that Division attorneys do occasionally argue significant criminal tax appeal cases involving important precedent-setting issues.

In addition, these program attorneys prepare the drafts of all pleadings and briefs which are filed by the Solicitor General in the Supreme Court for all civil and criminal tax cases under appeal. In conjunction with this responsibility, program attorneys develop recommendations for the Solicitor General regarding: (1) the filing of petitions for certiorari in all tax cases lost by the Government in the various Courts of Appeal; (2) the prosecution of all tax appeal cases lost by the Government in the District Court, the Claims Court, and State Appellate Courts; (3) and the prosecution of all tax appeal cases lost by the Government in the United States Tax Court. These latter cases are referred to the Department of Justice Tax Division by the I.R.S. Finally, program attorneys litigate Freedom of Information Act and Privacy Act appeal cases involving I.R.S. personnel. Civil torts suits involving I.R.S. officials and employees are also handled by program attorneys.

The activities conducted by the Federal Appellate Section are critical for the preservation of a uniform and equitable internal taxation system. Effective interpretations of the tax laws must be provided to the various Federal and State Appellate Court Judges if consistent decisions regarding the nation's tax laws are to be made. This will ensure that the American taxpayer's faith in and compliance with the United States tax system is maintained.

Accomplishments and Workload: The accomplishments of the Federal Appellate Activity Program are presented in the following table:

	1985	1986	Estimates 1987	Estimates 1988
1. Appellate Caseload:				
a. Pending, Start of Year	1,358	1,330	1,149	1,049
b. Received	1,010	977	1,100	1,400
c. Closed	1,038	1,158	1,200	1,350
d. Percent Government Wins	89%	90%	90%	90%
2. Work Products:				
a. Main Briefs	1,000	1,000	1,050	1,215
b. Reply Briefs	110	125	150	175
c. Briefs in Opposition	98	100	125	150
d. Oral Arguments	338	350	375	400
e. Memoranda	622	700	750	800
f. Dispositive Briefs	132	200	225	250

In 1986 the Federal Appellate Section filed more than 1,000 judicial briefs and handled an overall caseload of 2,307 appeals cases. Of further significance is the fact that of the 1,158 appeals cases which were closed, 90% were successfully litigated by Federal Appellate attorneys on behalf of the United States Government. The Section's success rate of more than 80% in obtaining reversals of adverse trial court rulings is equally impressive. The successful performance of Section attorneys in the Appellate Courts enhances the Government's ability to determine and collect taxes and to promote a fair and equitable tax system.

The Section's attorneys have successfully argued appeals cases before the United States Supreme Court which, in turn, has benefited the Government and made for a more uniform and equitable internal system of taxation. As an example, on June 23, 1986 in United States vs. American Bar Endowment, (U.S. Sup. Ct.) the Supreme Court reversed the Court of Appeals for the Federal Circuit and held that (1) income earned by the American Bar Endowment, a charitable affiliate of the ABA, from the sale of group insurance to ABA members constitutes unrelated business income, taxable to the Endowment, and (2) ABA members who buy the insurance are not entitled to deduct any portion of their premium payments as charitable donations to the Endowment. The Supreme Court agreed with the Government that the Endowment's insurance operation amounts to a "trade or business" within the meaning of the Internal Revenue Code, i.e., an activity carried on for the production of income from the sale of goods or the performance of services. The Court noted that the Endowment prices its policies competitively with other insurance generally available in the same market. By the same token, the Court ruled against four insured members of the Endowment who were seeking charitable deductions, since none of them proved that they intentionally paid more for the Endowment's policies than they would pay to acquire comparable insurance coverage elsewhere. The favorable ruling by the Supreme Court means that Federal revenues will be increased and the Federal deficit reduced because of the revenue ramifications this decision has on other groups with similar types of unrelated business income.

In yet another case, United States v. American College of Physicians, (U.S. Sup. Ct.), decided in April, 1986 and litigated by Tax Division Appellate Section attorneys, the Supreme Court ruled in favor of the United States Government. The judicial issue was whether income derived by a tax exempt medical association from the sale of commercial advertising space in its monthly journal, i.e. Annals of Internal Medicine, is an "unrelated business income" subject to tax under Sections 511 through 513 of the Internal Revenue Code. The Supreme Court, reversing the Federal Circuit, held that the journal's income from advertising, which was substantial, was subject to the unrelated business income tax. Being able to impose the unrelated business income tax on the American College of Physicians and other tax exempt associations with similar sources of income will allow the I.R.S. to generate additional revenue for the Federal Treasury.

The successful litigation undertaken by Federal Appellate attorneys is also demonstrated by the case, Khalaf v. Regan a case which was heard in the Circuit Court of the District of Columbia. On September 19, 1986, the Court of Appeals for the District of Columbia Circuit Court affirmed the Court's decision that the plaintiffs lacked standing to maintain a suit against the Secretary of the Treasury requiring him to revoke the tax exempt status of the United Jewish Appeal and five other Jewish organizations. The plaintiffs in the case, which included several former Palestinian West Bank mayors, a member of a minority party in the Israeli parliament, an anti-Zionist rabbi, a former United Jewish Appeal fundraiser, a former United Nations official, and others, alleged that they had been injured in various respects by the Israeli occupation of the West Bank and that Israel had been improperly subsidized in this occupation by donations from American sources that were channeled through the six tax exempt organizations. In affirming the District Court's dismissal of the plaintiffs' complaint, the Court of Appeals relied upon the Supreme Court's separation of powers decision in Allen v. Wright, 468 U.S. 737 (1984), and stated that "no sensible jurisprudence could allow this case to proceed while disallowing for want of standing cases like Allen, supra; Simon v. Eastern Kentucky Welfare Right Organization, 426 U.S. 26(1976); and Linda R.S. v. Richard D., 410 U.S. 614 (1973)." These examples reflect merely a few of the extraordinary accomplishments of the Division's Federal Appellate Section and they clearly demonstrate the ability of Federal Appellate attorneys to litigate effectively on behalf of the United States Government, despite an ever-growing caseload.

Program Changes: The Federal Appellate Section urgently requires additional personnel and funding resources if it is to maintain effective operations. Specifically, 12 additional positions, including 7 attorneys and 5 paralegal and support personnel, and $1.6 million are required to address the workload increase anticipated in FY 88. The funding includes $1 million specifically for automated litigation support. The Appellate Section will become increasingly dependant on automated legal research and automated document support as their caseload docket increases. The recent passage of the Tax Reform Act of 1986 makes the need for additional funding for this program in FY 88 critical. This legislation represents the first major transformation of the United States tax system in thirty years and it is inevitable that legal suits will be initiated contesting its technical provisions. While these suits initially will be litigated by the Division's Civil Trial Section attorneys, the workload of the Federal Appellate Section will also increase because more tax suits will be appealed. It is anticipated that Federal Appellate caseload will increase by a minimum of 5 percent in FY 88 solely as a result of the enactment of the Tax Reform Act.

In addition, the 500 additional positions authorized by the Congress in FY 87 to the I.R.S. to expedite resolution of disputed tax audits, will impact the workload of the Federal Appellate Section. These positions provided to the Appeals and Tax Litigation Unit will be used by the I.R.S. to close an additional 20,000 cases and to accelerate collection of $470 million in tax receipts. It is highly likely that more taxpayers will appeal I.R.S. determinations and suits will be initiated which will have to be litigated by the Division's Federal Appellate attorneys. An estimated 7 percent growth in caseload will occur in FY 88 as a result of the I.R.S. enhanced enforcement efforts in these areas. Additional resources must be provided if this increased caseload is to be litigated successfully in support of the I.R.S. and on behalf of the Federal Government.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal tax prosecution	106	107	$6,525	104	105	$7,132	110	110	$7,903	6	5	$ 771

Long-Range Goal: To enhance public compliance with the nation's tax laws by ensuring timely, consistent, and equitable prosecution of fraudulent and criminal tax evasion.

Major Objectives:

To prosecute tax evasion cases received from the I.R.S., as warranted.

To prosecute and/or supervise the prosecution of cases involving tax protestors and tax shelter plans involving money laundering and off-shore banking operations.

To monitor U.S. Attorneys' Offices grand jury investigations and to review grand jury findings to determine if prosecution is required.

To effectively manage grand jury investigations and trial proceedings referred to the Division by the U.S. Attorneys' Offices.

To develop, in conjunction with the I.R.S., a more effective criminal tax investigation program.

To maintain an effective tax protester enforcement program to address the threat presented by illegal, and often times violent, tax protest groups.

To serve as liaison with the criminal tax units established in several U.S. Attorneys' Offices throughout the nation.

Base Program Description: The criminal tax prosecution program is extremely important for the maintenance of an equitable internal tax system. This program addresses the increasingly growing problem of tax evasion through tax shelters, off-shore banking, money laundering, and other criminal tax avoidance activities. All criminal tax cases referred to the Department of Justice by the I.R.S. are reviewed by program attorneys upon receipt. In turn, program attorneys refer non-complex criminal tax matters to the appropriate U.S. Attorneys' Office, generally within ten days after receipt. This expeditious method of review allows program attorneys to devote more concentrated efforts on complex criminal matters which are referred by the I.R.S.

For complex criminal tax cases, program attorneys carefully examine all reports, exhibits, and evidentiary materials provided by the I.R.S. A legal assessment as to whether or not a case warrants prosecution is made, and those matters recommended for prosecution are transmitted to the appropriate U.S. Attorneys' Office. Program attorneys continue to provide litigative support for criminal tax cases under prosecution. These activities include: (1) providing advice on evidentiary problems, trial tactics, plea bargaining, and general tax matters; (2) preparing indictments and other pleadings; (3) providing legal memoranda, trial briefs, jury instructions, and other materials as required; (4) and closely monitoring the status of criminal tax cases pending in U.S. Attorneys' Offices. Assistance is also provided in grand jury investigations and in the actual prosecution in court when extremely complex issues requiring specific criminal tax expertise are involved. In addition, program attorneys frequently handle criminal tax cases when a case involves a sensitive issue or individual or when prosecution is declined by the U.S. Attorneys' Office but the Division feels that criminal prosecution is warranted.

Criminal tax prosecution attorneys assume sole responsibility for litigating criminal tax cases involving the Church of Scientology, and in cases involving tax protester groups, and certain other tax shelter activities. These cases generally contain extremely complex issues and relevant judicial decisions have nationwide ramifications. As a result, it is particularly important that Tax Division program attorneys with specialized experience in the area of criminal tax law manage these cases.

The effectiveness of this program ensures that tax revenues, which otherwise would be lost due to non-disclosure of income by individuals, corporations, and other taxable entities, are in fact demanded. This is increasingly more important as sophisticated means of tax evasion through off-shore banking, money laundering, and other illegal sources are now in existence.

Accomplishments and Workload: The accomplishments of the Criminal Tax Prosecution program are presented in the following table:

	1985	1986	Estimates 1987	Estimates 1988
1. Number of Defendants in Cases Reviewed:				
a. Pending for Review	697	664	664	664
b. Received for Review	2,271	2,400	2,500	2,600
c. Transmitted to U.S. Attorneys or Declined	2,304	2,400	2,500	2,500
2. Trials Assigned to Unit Attorneys				
a. Total Trial Assignments Pending	52	60	70	70
b. Total Trials Assigned	70	100	110	120
c. Trial Assignments Completed	62	90	100	100
3. Grand Jury Activities by Unit Attorneys				
a. Authorizations Approved and Forwarded to U.S. Attorneys	492	647	700	800
b. Investigations Initiated	12	15	25	25
c. Presentations for Indictment	59	80	100	100
4. Memoranda Completed	2,634	2,750	3,000	3,000

The increasing evidence of tax evasion, non-reporting of income from both legal and illegal enterprises, overstatement of deductions and omissions of income by individuals, and offshore banking and money laundering operations necessitates maintaining an effective criminal tax prosecution and enforcement program. The Division's criminal tax prosecution attorneys have worked diligently using new compliance provisions and increased criminal tax penalties enacted by Congress as part of the Economic Recovery Act of 1981 (ERTA), the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), the Deficit Reduction Act of 1984, and most recently the Tax Reform Act of 1986 to improve the Division's criminal tax prosecution and enforcement program.

The new criminal tax related provisions in these measures have been used successfully by program attorneys to prosecute and seek the imposition of stiff fines and or jail sentences for tax protesters such as the $10,000 fine and 5 year imprisonment of Otto Hurst, United States v. Mattie and Otto Hurst (D. Nev.) in April 1986. They have also been used to convict and secure sentencing of individuals involved in illegal activities such as the Reckmeyer brothers who were found guilty of income tax violations and drug trafficking in United States v. Reckmeyer, et al (E.D. Va.).

Other examples of effective criminal tax prosecution and enforcement cases can be cited. In United States v. Dana Kirk (W.D. Tenn.) on November 20, 1986 in Memphis Tennessee, a grand jury returned an indictment against Dana Kirk charging that he willfully attempted to evade his individual income tax liability for 1982 and 1983, in violation of 26 U.S.C. Section 7201. Additionally, Kirk was charged with having violated 26 U.S.C. Section 7206(1) with regard to those same returns. He was also charged with violating 18 U.S.C. Section 1341 (mail fraud). Kirk, the former Memphis State University basketball coach, achieved fame for having turned Memphis State into a Top 20 contender. Kirk was fired by Memphis State as coach in September, 1986, after seven seasons. At that time, Memphis State President, Thomas Carpenter, refused to discuss his reasons for firing Kirk, other than to say that the move was in the best interest of the University. His reasoning became readily apparent when information regarding Kirk's indictment was made public.

Criminal tax prosecution attorneys were also successful in the case of United States v. Richard Patrick (W.D. Pa.). On November 12, 1986, Judge McCune sentenced Richard Patrick to the maximum period of incarceration prescribed for violation of 26 U.S.C. Section 7201 — five years — on each of four counts charging a violation of Section 7201 for which Patrick was convicted on September 19, 1986. Patrick was also convicted of a single count charging a violation of 26 U.S.C. Section 7206(1) and on November 12, 1986, Judge McCune sentenced him to five years on that count as well notwithstanding that the maximum period of incarceration prescribed for a violation of Section 7206(1) is three years. The sentences are to be served concurrently. The Section 7201 charges relate to Patrick's individual income tax returns for 1978 through 1981, inclusive; the single count charging a violation of Section 7206(1) related to the filed income tax return of the Richard Coal Company for fiscal year ending July 31, 1982. Judge McCune refused to set bond pending appeal. He ordered Patrick to begin serving his sentence on November 17, 1986. In addition to the period of incarceration, Judge McCune imposed a fine of $10,000 on each of the five counts, for a total of $50,000.

Preliminary estimates made by the I.R.S. indicate that Patrick's tax liabilities, including penalties and interest, will approximate $2.5 million. It is assumed that Judge McCune will issue a Corrective Order relating to the five-year term of incarceration imposed by him on Patrick regarding Count V (Section 7206(1). This case clearly reflects the Tax Division's effectiveness in litigating criminal tax prosecution matters and in generating substantial sums of revenue for the Federal Government.

A final example of Criminal Section attorneys' effectiveness in litigating criminal tax matters is United States v. Hercules Gray (N.D. Fla.). On November 25, 1986, in Pensacola, Florida, Judge William Stafford sentenced Hercules Gray to a period of incarceration of three years on each of two counts charging a violation of 26 U.S.C. Section 7201 and to a period of incarceration of two years on one count charging a violation of 18 U.S.C. Section 1341 (mail fraud). The periods of incarceration are to run consecutively. The eight-year sentence was imposed following Gray's plea of guilty to having willfully attempted to evade his individual income tax liability for the years 1978 and 1979 and his plea of guilty to mail fraud. In addition to the period of incarceration, Judge Stafford imposed a fine of $21,000 plus costs of prosecution. Gray, the owner of a Pensacola bar and grill called the Stomping Ground, entered his pleas of guilty on September 29, 1986 — the date trial was to have begun.

Program Changes 1. As with other litigating sections in the Tax Division, additional personnel and funding resources are urgently needed to maintain effective criminal tax prosecution and enforcement operations. An additional six positions and $771,000 are required to ensure that criminal tax evaders are investigated and prosecuted more aggressively. Without these additional resources, individuals who should be prosecuted for criminal tax law violations will go unpunished. The limited personnel resources presently available for this program are insufficient to address the increasing number of criminal tax violation schemes that are now being developed.

In addition, with the implementation of the new I.R.S. revenue compliance initiatives, this program must have additional resources if it is to provide sufficient legal support and assistance to the I.R.S. in their efforts to investigate and prosecute criminal tax evaders. Congress increased the number of I.R.S. special agents 8 percent, and provided the I.R.S. Criminal Investigation Unit an additional $5 million in FY 87. The Division anticipates, at the very minimum, a 5 percent increase in cases being forwarded to our Criminal Section. If additional resources are not provided for this program area in FY 88, the Division will be unable to manage this increased workload, and revenue which could be collected through aggressive prosecution of criminal tax evaders will go uncollected.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil tax litigation	319	314	$17,197	311	310	$18,750	357	345	$25,919	46	35	$7,169

Long-Range Goal: To establish uniform interpretation of the internal revenue laws so as to maximize Federal tax revenues received and ensure equitable resolution of disputed tax matters through litigation against taxpayers' claims, the recovery of outstanding tax liabilities, and other civil tax matters under dispute.

Major Objectives:

To uniformly and effectively litigate refund suits, so as to maximize the tax revenues collected for the Federal treasury.

To successfully defend all injunctions, declaratory reliefs, suppressions, mandamus, jeopardy assessments, and other civil tax suits on behalf of the Federal Government.

To vigorously defend all civil tort actions in order to discourage "nuisance" suits and prevent harrassment of I.R.S. personnel.

To maximize the collection of unpaid taxes through successful litigation of all civil tax recovery suits and through prompt collection of all tax judgments issued in the Government's favor.

To provide legal support to court judgments in bankruptcy proceedings in order to establish Government priority in relation to other creditors, and to collect all non-dischargeable debts.

To rigorously enforce all administrative summonses issued by the I.R.S. to ensure that on-going tax investigations are not impeded.

To develop a consistent Government position with regard to complex legal cases involving Federal immunity from State and local taxation and in cases under Code Section 7428 governing the criteria for tax exempt status.

To effectively manage new responsibilities resulting from the enactment of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and the Tax Reform Act of 1986.

To maintain an equitable Freedom of Information Act and Privacy Act program so that a taxpayer's right to information concerning the policies and practices of the I.R.S. in enforcing the nation's tax laws is balanced with the I.R.S.' ability to conduct effective tax investigations, limit Government disclosure of tax return information, and maintain third-party confidentiality.

Base Program Description: Of primary significance, the Civil Tax Litigation program provides a uniform interpretation of the internal revenue laws thereby ensuring a fair and equitable internal system of taxation. In this regard, civil tax litigation attorneys conduct litigation to maximize Federal tax revenues, by resolving disputed tax matters arising from individual taxpayers' claims and by successfully recovering outstanding tax liabilities for the Federal treasury.

Civil tax litigation attorneys work in close cooperation with I.R.S. officials in enforcing the tax system of the United States. I.R.S. review of individual and corporate tax returns frequently reveals a discrepancy between the actual tax liability and the amount paid by the individual or

corporate tax entity to the I.R.S. When a taxpayer disagrees with an I.R.S. determination of additional tax liability, the taxpayer may either withhold payment and file suit in the U.S. Tax Court challenging the I.R.S. determination, or the taxpayer may pay the additional liability and subsequently file suit for a refund of the amount in question in a U.S. District Court or the U.S. Claims Court. The Division's civil tax litigation attorneys are responsible for litigating all such cases in these two latter Courts, as well as for cases filed in these courts by taxpayers who believe they have initially overpaid a tax obligation. Responsibility for litigating cases in the U.S. Tax Court is maintained in the I.R.S. Office of the Chief Counsel. In both instances, attorneys strive vigorously to conduct successful litigation so as to increase revenues in the Federal treasury and to ensure the maintenance of an equitable internal revenue system.

The civil tax litigation program also defends the Government's interests in other taxpayer initiated claims against I.R.S determinations. Among these are recovery of money adjudications; bankruptcy litigation; suits against I.R.S. and other U.S. Government officials for torts allegations with respect to the collection; actions filed against the United States Government pursuant to certa' ovisions of 28 U.S.C. Section 2410; and other civil tax matters under dispute. In every instance, the primary objective is to ensure that fa and equitable judicial determinations are made both to protect the interests of the Federal Government and those of the taxpayer.

The broad ranging activities of the civil tax litigation program also include providing legal advice and assistance to I.R.S. officials in tax investigations' matters. In addition, civil tax litigation program attorneys handle Freedom of Information and Privacy Act suits; summons enforcement cases; declaratory judgment actions to determine an organization's qualification for tax exempt status; and State and local tax immunity suits. The uniform and equitable interpretations of the U.S. civil tax laws, which are enabled by the activities of this program, enhances taxpayer compliance with the internal revenue system and ensures the maximum collection of tax revenues for the Federal treasury.

Finally, the enactment of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and the Tax Reform Act of 1986 has significantly increased the responsibilities of civil tax litigation program attorneys. With the enactment of TEFRA, program attorneys defend the Government's interest in abusive tax shelter cases through injunctive relief and penalties against these tax evaders (26 USC Sections 7408 and 6700). Similarly, successful litigation under the provisions of TEFRA (26 USC Section 6661) enables the imposition of substantial monetary penalties on investors in abusive tax shelters. It must be emphasized that litigation of abusive tax shelter injunction and penalty matters requires particular expertise, as the Government bears the burden of proof. As a result, these matters require extensive investigation and trial preparation by the Division's civil litigation attorneys. This will also be true when the new and extremely complex provisions of the Tax Reform Act of 1986 become contested.

Accomplishments and Workload: The accomplishments of the Civil Tax Litigation Program are presented in the following table:

	1985	1986	Estimate 1987	Estimate 1988
1. Defense of Monetary Claims				
a. Tax Refund Cases				
Pending	3,035	2,909	3,143	3,443
Received	1,133	1,108	1,300	1,600
Closed	1,259	874	1,000	1,200
b. Other Defense				
Pending	1,527	1,131	892	992
Received	1,096	1,192	1,200	1,400
Closed	1,492	1,431	1,100	1,200

	1985	1986	1987	1988
2. Recovery of Money				
a. Bankruptcy Cases				
Pending	3,566	3,616	3,616	3,616
Received	4,496	5,300	4,800	5,050
Closed	4,690	5,116	4,600	4,700
b. Other Recovery				
Pending	1,844	1,732	1,719	1,919
Received	1,029	989	1,200	1,300
Closed	1,141	1,002	1,000	1,100
c. Section 2410 Lien	12,493	13,455	14,000	15,000
3. Federal Civil Programs				
a. FOIA/PA				
Pending	206	130	61	11
Received	268	95	150	200
Closed	344	164	200	200
b. Summons Enforcement				
Pending	2 460	2,514	2,256	2,056
Received	2,988	2,983	3,200	3,000
Closed	3,244	3,241	3,400	3,000
c. Other Enforcement				
Pending	206	189	161	161
Received	179	160	200	250
Closed	162	188	200	200
Legal Processed Debts				
a. Amount Collected	$32.7 mil	$99.5 mil	$100.2 mil	$105.5 mil
b. Percent with Activity	45 %	53%	55%	55%

The Division's Civil Trial Section not only represents the Government in tax fraud suits brought by taxpayers, but also in a wide variety of other cases under the Internal Revenue Code and in tax-related litigation in Federal and State Courts. Civil trial cases represent the overwhelming majority of the Tax Division's total caseload and they are defined under several major categories. These categories include: (1) litigation in defense of monetary claims; (2) litigation for the recovery of money; (3) litigation to enforce Federal civil programs; (4) litigation under the provisions of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA); (5) and, most recently, litigation which will result from the enactment of the Tax Reform Act of 1986. In addition, the Division's Civil Trial Section attorneys have supervisory responsibility over the more than 15,000 tax lien matters that are handled primarily by the U.S. Attorneys' Offices.

The importance of the litigation conducted by Civil Trial Section attorneys cannot be understated. Civil litigation conducted by program attorneys on behalf of the Government results in billions of dollars being collected for the Federal Treasury. Of equal significance, successful litigation undertaken by program attorneys ensures that uniform and equitable determinations regarding civil tax matters at issue are applied nationwide. This, in turn, encourages taxpayers to comply with the nation's internal revenue system and increases taxpayers faith in this system.

While numerous examples of this program's successful accomplishments can be cited, a brief summary of four successful cases demonstrates the effectiveness of the Division's Civil Trial Section attorneys in conducting litigation on behalf of the Federal Government. The first example involves a major tax shelter plan. In United States v. Music Masters, Ltd., et al (W.D. N.C.) Judge Potter entered an injunction against three defendants in this action brought by the United States under Sections 7408 and 7402 of the Internal Revenue Code. In a lengthy memorandum, the Judge found that the "Music Masters" recording tax shelter plan was abusive within the meaning of Code Section 6700 on four different counts. The Court ruled that the alleged "recourse" notes entered into by the defendants to purchase "Music Masters" should be disregarded and that the correct value of "Music Masters" could be no more than the cash that was paid initially. Each "recourse" note used to purchase "Music Masters" was found to have been overvalued by defendants by more than 200 percent. The Court also found that defendants made false financial statements on three different grounds within the meaning of Section 6700 of the Internal Revenue Code.

The Judge ruled on several important legal issues in this case, including that the appropriate legal standard to be applied in this matter was the "preponderance of the evidence" rule. The Court also found that an injunction may be issued as a matter of law once the statutory requirements are met, and that traditional equity grounds need not be proven. The Court then determined that injunctive relief was appropriate in this case under both Section 7408 and Section 7402 of the Code.

The Court's order required the defendants to, among other things, notify the I.R.S. before participating in the sale of future tax shelters. In addition, a copy of the final judgment and a copy of a letter offering to rescind the lease agreement were required to be sent to each lessee in the tax shelter and to the I.R.S.

In another civil matter, Carol Comp, Administratrix of the Estate of Adler B. Seal v. United States (E.D. La.), a $29.7 million jeopardy assessment was made against Adler B. Seal for 1981 through 1983 income tax evasion. Seal allegedly was one of the nation's top drug smugglers during that period. Then in March, 1984, he became a Drug Enforcement Administration informant. He later testified in Federal Courts in Miami and Las Vegas and before the President's Commission on Organized Crime in 1985 concerning his, and others, drug trafficking activities. The I.R.S. received information that Seal was dissipating assets, and the jeopardy determination was made on January 30, 1986. Two weeks later Seal was murdered.

At this trial, the plaintiff argued that Seal's death indicated that jeopardy no longer existed. Evidence was also introduced suggesting that the District Director relied on false information in making his determination. Civil Trial Section attorneys then introduced "subsequently developed" evidentiary information in support of the District Director's determination. The Judge ruled in the Government's favor in finding that the assessment was reasonable, the assessed amount was appropriate, and that Seal's death was irrelevant to the matter. Among the indicia of jeopardy against Seal were his burning of records, ownership of airplanes and boats, extensive use of Cayman Islands corporations as tax shelters and for narcotics trafficking activities, and cashing of $151,000 in payable checks within 30 days of the jeopardy assessment.

Another example of the accomplishments of Civil Trial Section attorneys is reflected in Bethel Baptist Church, et al. v. United States (M.D. Pa.). On March 6, 1986, the Court granted the Government's motion for summary judgment, dismissing the complaint in this tax refund case. The plaintiffs challenged the constitutionality of the 1983 and 1984 social security amendments to the Internal Revenue Code, which brought churches, as employers, into the Social Security System. Before 1983, churches could participate, as employers, in the Social Security System on a voluntary basis. The 1983 amendments changed this provision and then required churches to belong to the system. In 1984, Congress, concerned that some churches would perceive that their First Amendment interests were adversely affected by the 1983 amendments, permitted churches to elect out of the system. However, by electing out, employees were subjected to a higher rate of taxation under the self-employment taxing system.

Civil Trial Section attorneys effective litigation of this matter resulted in the Court's denial of Bethel's claim for a refund of $17,800 of employment taxes paid for the first quarter of 1984. The Court, before reaching the merits, held that various individual co-plaintiffs had standing to pursue this suit. In addition to the church, the pastor, the deacon, five employees, and seven parents of children attending the church's school were included as plaintiffs, although none had filed administrative claims for refund as required by 26 U.S.C. Section 7422(a). The Court found

that the pastor and deacon did not have standing, but that the employees who, permissibly, did seek to have the church advance their claims for refund on their behalf, did have standing separate and apart from the church. The Court's only explanation of its rationale was that Section 7422(a) was satisfied when Bethel filed a claim with the Government which include the employees' taxes, thus permitting the employees to file suit on their own behalf. The Court found that the parents did not have standing to bring suit for refund under the jurisdictional provision of Title 28 applicable to tax refund suits, 28 U.S.C. Section 1346(a)(1). However, the Court held that it had jurisdiction over the parents' claims under 28 U.S.C. Section 1346 (a)(2), which provides for jurisdiction of an action or claim against the United States not exceeding $10,000 in amount founded either upon the Consitution or any act of Congress, the theory being that the parents' First Amendment rights were threatened because the tax makes it financially more difficult to give their children a religious education at the school.

Civil Trial Section attorneys were also successful in the matter of Edison International, Inc. (formerly Studebaker-Worthington, Inc.) v. United States which was heard in the Claims Court. At issue in this case was a deduction of some $20 million for loss of "goodwill" claimed to have occurred in the year that Studebaker ceased manufacturing automobiles. The plaintiff contended that "goodwill" in that amount originated with plaintiff's ancestor, Studebaker Corporation of New Jersey, upon its formation in 1911 and remained unimpaired until 1966, when it was lost after Studebaker stopped manufacturing automobiles. The Government contended that no "goodwill" had ever been acquired or, if it had been acquired, it was previously lost. It was further argued that any "goodwill" in the event that it ever had been acquired had a lesser value (and basis) in 1911 than at the present.

The Claims Court recently concluded that the plaintiff failed to demonstrate that the 1911 "goodwill" value was $20 million "or indeed any amount even remotely approaching that figure." Accordingly, the Court considered it unnecessary to pass on the defendant's alternative contention, or to set any figure for the amount of "goodwill" that might have been acquired. The Claims Court decision resulted in a substantial savings in Federal revenues.

Program Changes: Personnel and funding resources are critically needed to manage the anticipated workload increases resulting from the Tax Reform Act of 1986 and the additional resources authorized for the I.R.S. The Tax Reform Act of 1986 will have an immediate and significant workload impact as a result of the provision treating interest on most tax deficiencies of individual taxpayers as "personal interest" and not fully deductible after 1986. New I.R.S. regulations will encourage more taxpayers to pay their tax deficiencies and interest liabilities in 1986 to retain the full deduction for interest paid. Taxpayers are then expected to file for refunds which must now be filed in the Claims Court or U.S. District Court, where Civil Trial Section attorneys are the Government's defenders. The Civil Trial Section's litigation caseload in FY 88 is likely to increase at least 5 percent due to the new tax reform procedures.

Similarly part of the resources provided to the I.R.S. to implement the Tax Shelter and General Revenue Initiatives include 500 appeals officers, auditors, and attorneys, and 1,000 collection personnel to expedite resolution of tax audits and reduce the enormous inventory of unpaid accounts. The increased ability of I.R.S. to complete audits and initiate tax collection actions will result in more taxpayers filing suits contesting I.R.S. decisions. These suits must then be litigated by the Division's Civil Trial Section attorneys. A minimum increase of 10 percent in workload is anticipated in FY 88 as a result of I.R.S.' intensified enforcement efforts. To be effective in managing the increased caseload generated by these two measures the Division must be provided with an additional 46 positions for its civil trial litigation program. These positions include 38 attorneys and associated legal personnel and 8 support personnel and $7.2 million. Automated litigation support which will be contracted out to provide the technological support for research, filing and document control makes up $2.0 million of the new funding. This represents an extremely conservative personnel and funding request given the significant increase in civil tax caseload which will result from passage of these measures.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount
Organized crime drug enforcement....	14	12	$929	14	13	$1,025	20	18	$1,714	6	5	$689

Long-Range Goal: To assist in the investigation and prosecution on tax related charges of organized criminals and narcotics traffickers through cooperative efforts with other agencies participating in the Organized Crime Drug Enforcement Task Forces (OCDE).

Major Objectives:

To provide litigative and prosecutorial support to the 13 regional OCDE Task Forces.

To ensure prompt and successful prosecution of narcotics traffickers by expediting the review of I.R.S. special agents' reports and by providing legal advice on evidentiary matters and theories of proof.

To effectively utilize the expertise of Tax Division attorneys when handling criminal narcotics cases at the grand jury and trial stages upon request from the OCDE Task Forces.

Base Program Description: The OCDE Task Forces, initially established in October, 1982 to eliminate drug trafficking enterprises, exist in 13 regions throughout the nation. The primary mission of the Task Forces is to investigate and prosecute major narcotics trafficking organizations through multi-agency cooperative efforts. Among the participating agency representatives are the I.R.S. investigators and Department of Justice Tax Division attorneys. This consolidation of agencies' resources enables the OCDE Task Forces to fully utilize all financial investigative techniques, including tax law enforcement and forfeiture actions.

The Tax Division's OCDE program was developed initially with the establishment of a separate unit within the Division's Criminal Section. This unit, which also handled other matters, managed successful investigative and prosecutorial efforts against suspected drug traffickers, primarily in the I.R.S. Southeast Region. A program attorney was also assigned to the Financial Crime Task Force in Chicago to assist in the investigation and prosecution of tax cases involving major narcotics traffickers. From this prototype, the Division expanded its OCDE program in 1985.

Presently, OCDE program attorneys serve as the liaison with the 13 OCDE Task Forces and they provide litigation support, advice, consultation, and other legal assistance in OCDE Task Force cases. Program attorneys also monitor the drug-related docket of the OCDE Task Forces so that, upon request by a Task Force, legal assistance can be provided expeditiously for the successful investigation and prosecution of major narcotics trafficking cases. OCDE program attorneys are also available to provide legal advice, assistance, and training to the OCDE Task Forces for financial/tax investigations and for cases under appeal which involve technical and extremely complex issues. It should also be noted that OCDE program attorneys provide legal expertise to the OCDE Task Forces for non-Task Force drug/financial related cases as well.

The involvement of OCDE program attorneys in OCDE Task Force cases is extensive because these cases generally involve lengthy grand jury investigations (from 9 to 40 months). These cases and associated investigations include multiple defendants, each of whom is charged with various criminal violations. As a result, Division attorneys not only provide drug and financial legal advice and expertise to OCDE Task Force personnel, but often provide assistance on other charges as well.

The OCDE Task Forces rely heavily upon the services provided by the Division's OCDE program attorneys to ensure that investigations are handled expeditiously and that authorizations on relevant tax charges are coordinated successfully so that tax-related charges are not erroneously separated from the drug-related charges in the case.

In sum, the nationwide and multi-agency OCDE programs result in the efficient and effective use of Federal resources by eliminating duplication of agency efforts in criminal drug-related cases, and by ensuring that the maximum penalty and greatest recovery of money are obtained in major drug trafficking prosecutions.

Accomplishments and Workload: The accomplishments of the Organized Crime Drug Enforcement program are presented in the following table:

	1985	1986	Estimate 1987	Estimate 1988
Attorneys Assigned to Regional Drug Task Forces	9	9	13	13
a. Number of Defendants in Cases Received	342	449	550	600
b. Prosecutions Authorized	282	327	370	400
c. Grand Jury Receipts	117	146	200	225

The Tax Division has acquired substantial experience and expertise in tax and financial investigations of narcotics traffickers. In addition to assisting in individual case development, Tax Division OCDE liaison attorneys participate in training new Assistant U.S. Attorneys and Task Force investigators. OCDE program attorneys also maintain a current clearinghouse of legal and investigative materials and information and they coordinate dissemination of this information to regional OCDE Task Force personnel.

Tax Division OCDE program attorneys contributed significantly in the investigation and prosecution of a major narcotics trafficking ring in the case United States v. Harold Garmany,et. al. (D. Ariz). The participation of a Tax Division OCDE program attorney in handling this matter resulted in the successful prosecution of a series of cases involving 39 defendants and 77 counts concerning a marijuana and cocaine distribution ring which generated over $20 million in profits between 1979 and 1982 alone. Harold Garmany, the leader of the operation, received a life sentence without possibility of parole for his convictions. Moreover, the jury, by special verdict, required forfeiture to the Government of all of Garmany's assets from the drug-trafficking operations. Two of Garmany's principal lieutenants received 30 year prison terms for their convictions.

In another case, United States v. Carlos Ernesto Armenta LaFaurie, OCDE program attorneys were successful in litigating a repatriation suit. In these suits, the Government seeks to compel a taxpayer to return assets to the United States from a foreign country to satisfy his or her United States tax liabilities.

In this case OCDE program attorneys brought suit against Carlos Ernesto Armenta LaFaurie, to return proceeds from a Swiss bank account to satisfy his tax liabilities. LaFaurie had previously been convicted of money laundering by a Federal Court in Miami. Suit was brought against LaFaurie as a first measure before proceeding directly against the Swiss bank to enforce levies previously served by the I.R.S. on U.S. branches of the bank in Miami and New York. LaFaurie's agreement to repatriate the bank account proceeds from Switzerland made the latter enforcement action unnecessary. While Government suits against United States-based banks having foreign branches are viable enforcement actions, the Tax Division is willing first to proceed against taxpayers holding the foreign accounts where practicable, since they bear the primary responsibility for transferring assets to offshore tax havens to avoid their tax obligations.

In total, $4 million was involved in satisfying LaFaurie's tax liabilities resulting from his money laundering schemes. The Tax Division intends to employ this novel tax law enforcement approach, which has been used sparingly in the past, with greater frequency to combat the growing use by taxpayers of offshore facilities to remove or conceal assets from U.S. tax authorities.

Finally, it should be noted that during 1986, the Tax Division authorized 153 OCDE Task Force grand jury investigations involving 485 individual targets. In addition, prosecution of more than 250 OCDE Task Force defendants for criminal tax violations relating to their narcotics activities was authorized. As the regional drug task force program has developed and grown, Tax Division participation has been increasingly requested by OCDE Task Force prosecutors and investigating agents.

Program Changes: The war on narcotics trafficking is one of this Administration's highest priorities. The OCDE Task Force cases increasingly involve tax charges and a conscious effort is being made to rely upon forfeitures to cripple drug trafficking rings to eliminate their profits. As a result, Congress recently approved an 8 percent increase in the number of I.R.S. special agents for FY 87 and provided I.R.S.' criminal investigation function an additional $5 million for criminal and drug/tax related law enforcement. The additional resources provided to the I.R.S. in FY 87, and those requested in FY 88, will cause at least a 5 percent increase in cases being forwarded to the Criminal Section of the Tax Division and more specifically to the OCDE unit. In particular, Congressional emphasis on investigation and prosecution of organized crime and drug-related money laundering activities, when indeed enforced by the I.R.S., will have a major impact on the Tax Division's OCDE program. Millions of dollars in unreported income is in some way connected to narcotics trafficking. I.R.S. enforcement efforts in this area will be vastly improved due to these additional resources. This, in conjunction with a strengthening of the Tax Division's OCDE program, will result in the collection of a substantial portion of the funds now unreported and currently untaxed. Additional resources are essential if the Division is to manage this workload and maintain a viable OCDE program in support of the OCDE Task Forces and I.R.S.' tax law enforcement efforts. Specifically, six positions and $689,000 are requested to handle the anticipated increases in workload in 1988.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and administration	98	111	$4,413	91	104	$4,781	91	104	$4,781	...	...	...

Long-Range Goal: To provide Division-wide management and direction including: selecting, developing, and leading the Division's supervisory team; initiating new Division programs in response to Administration priorities; ensuring timely review, analysis, and comment on proposed legislation affecting the Division's policies, practices, and the internal revenue laws; fulfilling the Division's administrative responsibilities under the Freedom of Information and Privacy Acts and Section 6103 of the Internal Revenue Code; and providing essential administrative and information systems support services.

Major Objectives:

To review and analyze legislation affecting the Division's policies and practices and to respond to all legislative inquiries.

To develop legislative solutions to recurring problems in the area of tax litigation.

To ensure the maintenance of precise, consistent, and uniform litigating positions and to enhance Division liaison activities with the I.R.S.

To appropriately handle all FOIA and Privacy Act matters by conforming to statutory mandates of these acts and by maintaining confidentiality when releasing tax return information.

To provide essential administrative support and information systems services to all Tax Division Sections through both the continued performance of current activities and the identification of areas where administrative management techniques, modern office technology, improved productivity, and other modern administrative innovations can be initiated to support the Division's overall mission.

Base Program Description: Effective management, direction, and leadership for each program area are essential if the Tax Division is to successfully perform its responsibilities as legal counsel to the I.R.S. and other client agencies. This guidance is provided by the Division's Executive Direction and Control, Legislative Affairs, and Administrative Services components.

The Executive Direction and Control program provides leadership and policy guidance for the Tax Division for all areas of its litigation responsibilities. This component provides civil and criminal tax litigation policy guidance; promotes effective communications and liaison activities with the I.R.S. and other client agencies; reviews the Division's major litigation decisions to ensure that appropriate and uniform policies regarding the nation's tax laws are developed and maintained; and negotiates acceptable compromises effected by the Division regarding discrepant opinions involving internal revenue law interpretations and legal decisions.

The legislative program is responsible for providing required legislative and other reports to the Congress, the Office of Management and Budget, and the Department of Justice Office of Legal Policy and Legislative Affairs concerning pending or proposed legislation affecting the Division. The legislative program also involves coordinating Division-wide efforts to identify appropriate legislative proposals which may positively impact the Division's legal efforts. Finally, responsibility for managing the Freedom of Information and Privacy Act activities of the Division falls within this program area. Specifically, this involves developing and coordinating the Division's response to all taxpayer requests under these acts and related statutory provisions for handling administrative appeals arising from the denial of such requests.

The Administrative Services section is divided into four basic units, including: (1) the Executive Office, which is responsible for providing the overall control and guidance to the program; (2) the Comptroller's Staff, which is responsible for the financial management, budget, and program evaluation functions; (3) the Information Resources Staff, which is responsible for the development, coordination, and maintenance of the automated case management, litigation support, and word-processing activities of the Division; (4) and the Services Staff, which is responsible for the personnel management, resource services, and case and file control activities of the Division.

Accomplishments and Workload:

Despite a change in leadership through the appointment of a new Assistant Attorney General for the Tax Division, the quality of the Division's executive direction and leadership guidance has been sustained throughout the transition period. The Executive Direction and Control component of the Tax Division has ensured the maintenance of a viable and effective organization, despite increasing caseloads with no associated personnel increase. Under this direction, attorney and other personnel have been utilized efficiently so that successful enforcement of the nation's internal system of taxation has been maintained. Improved relations with I.R.S. officials in their efforts to enforce the nation's tax laws has also been further stimulated by the Division's leadership.

The Executive Direction and Control program has maintained the Division's priorities with respect to tax law enforcement. Specifically, emphasis is directed toward the elimination of abusive tax shelters and offshore tax havens through the further expansion and development of the Office of Special Litigation. Management direction has also been provided for other priority areas, including the prosecution of leaders of tax protester movements and activities, and increased support for the Division's Organized Crime Drug Enforcement program.

In sum, the Executive Direction and Control program has maintained an effective Tax Division through its support of priority program areas, its streamlining of operations through the use of more sophisticated automation and technical support capabilities, and its attention to improving tax enforcement cooperation with other client agencies.

The Administrative Services program of the Tax Division also has been further developed and improved. The Comptroller's Staff has been expanded to provide additional resource support to address Departmental and OMB reporting requirements such as A-123 (Internal Controls) and A-76 (Productivity Improvements). Additional budgetary support has been obtained to ensure that all required budgetary materials are of a professional quality and are provided in a timely manner, and to ensure that the expenditures of the Division's limited budgetary resources are carefully monitored. Finally, an effective travel program under the Citicorp Diners Club Government Credit Card system has been maintained, despite difficulties with its initial development.

The Information Systems Staff worked aggressively with other Department components to develop an integrated office automation system network. In addition, efforts were devoted to the further development of the automated systems. Currently, shared logic word-processing systems have been implemented in the Appellate, Civil Trial - Northern Region, and Civil Trial - Western Region Sections of the Division. Efforts are currently underway to install this system in the Division's Civil Trial - Southern Region and Civil Trial - Central Region. Displaywriter capabilities exist in the Civil Trial - Central Region, Claims Court, and Office of Special Litigation components of the Division. The objective is to develop an office-wide automated system which will include Document Production, Case Management, Legal Research, and Administrative Management capabilities. The Division's long-range information technology systems plan centers around the effective and efficient integration of sophisticated information technologies. The plan reflects a radical departure from past automation efforts by calling for the application of technology directly to the activities of the legal and paralegal staff, in addition to enhancing capabilities previously available to only the secretarial/ administrative functions. This system, when fully developed and implemented, will enable all personnel to utilize system software to produce documents, communicate with all other parts of the Division, and access external organizations and databases as necessary via a single video display workstation desktop terminal.

In 1986 the Services Staff coordinated and conducted a successful office move of over one half of the Division workforce to a new facility. Similarly, they oversaw the successful completion of office renovations in the Main Justice Department building for other Division personnel. The Staff continues to emphasize further improvements of support services in all areas of its responsibility.

Finally, through improved management and administrative efficiency, the Division is sustaining a management savings reduction in its FY 88 budget for 18 positions, 17 FTE workyears, and $193,000.

Tax Division

Salaries and expenses, General Legal Activities

Priority Rankings

Base Program		Program Increases	
Program	Ranking	Program	Ranking
Organized Crime Drug Enforcement	1	Civil Tax Litigation	1
Federal Appellate Activity	2	Federal Appellate Activity	2
Management and Administration	3	Criminal Tax Prosecution	3
Criminal Tax Prosecution	4	Organized Crime Drug Enforcement	4
Civil Tax Litigation	5		

Tax Division

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes
(Dollars in thousands)

ITEM	Federal Appellate Activity		Criminal Tax Prosecution		Civil Tax Litigation		Organized Crime Drug Enforcement		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amt	Pos.	Amount	Pos.	Amt
GS/GM 14	3	$ 150	1	$ 50	11	$ 550	1	$ 50	16	$ 800
GS/GM 13	4	172	1	43	14	602	1	43	20	860
GS-12	3	109	2	74	11	405	2	74	18	662
GS-11	...	...	...	...	2	66	...	...	2	66
GS-09	1	27	1	27	2	54	1	27	5	135
GS-08	1	25	1	25	2	50	1	25	5	125
GS-07	...	...	...	...	2	44	...	...	2	44
GS-06	...	...	...	...	1	20	...	...	1	20
GS-05	...	...	...	...	1	18	...	...	1	18
Total positions and annual rate	12	483	6	219	46	1,809	6	219	70	2,730
Lapse (-)	-3	-125	-1	-29	-11	-441	-1	-29	-16	-624
Total workyears and personnel compensation	9	358	5	190	35	1,368	5	190	54	2,106
Personnel benefits		58		37		213		26		334
Travel of persons		69		45		254		32		400
Transportation of things		11		8		42		5		66
Standard level user charges		79		51		293		37		460
Comm., utilities, other rent		148		96		544		68		856
Printing and reproduction		11		8		42		5		66
Other services		1,406		216		3,626		220		5,468
Supplies and materials		22		15		84		11		132
Equipment		186		105		703		95		1,089
Total, workyears and obligations, 1988	9	2,348	5	771	35	7,169	5	689	54	10,977

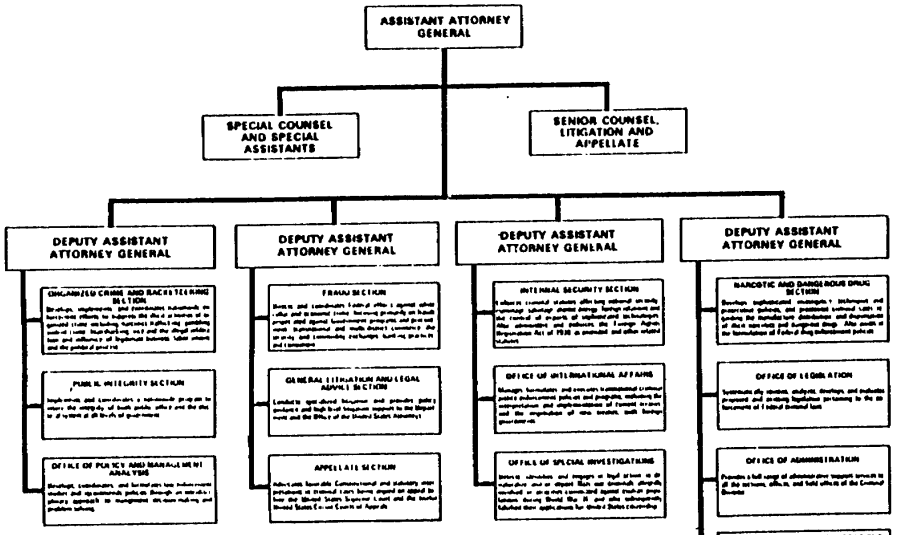
Tax Division

Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized	1988 Management Savings	1988 Program Increases	1988 Total
Attorneys (905)	343	345	...	54	399
Paralegal Specialists (950)	17	17	...	7	24
Other Legal and Kindred (900-998)	29	29	...	5	34
General Admin. Clerical and Office Services (300-399)	240	243	-18	4	229
Accounting and Budget (500-599)	5	5	...	...	5
Total	634	639	-18	70	691
Washington	609	614	-18	70	666
U.S. Field	25	25	...	...	25
Total	634	639	-18	70	691

CRIMINAL DIVISION



Approved Edwin Meese III Date 28 Jan 86

EDWIN MEESE III
Attorney General

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Criminal Division

Salaries and expenses, General Legal Activities

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			Reprogrammings			1987 Supplemental Requested				1987 Appropriation Anticipated		
										Program			Pay & FERS			
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.		Pos.	WY	Amt.
Federal appellate activity	28	28	$1,874	...	...	-$88	...	...	...	...	...	$3	$36	28	28	$1,825
Organized crime prosecution	249	230	15,438	...	...	-695	...	...	...	...	...	46	301	249	230	15,090
Public integrity (corruption)	34	33	2,262	...	...	-105	...	...	...	...	...	140	44	34	33	2,341
Fraud	80	71	5,233	...	...	-232	...	...	...	...	...	319	94	80	71	5,414
Narcotic & dangerous drug prosecution	35	31	2,082	...	...	-89	...	...	...	...	...	131	39	35	31	2,163
Internal security	30	29	1,970	...	...	-94	...	...	...	...	...	127	40	30	29	2,043
General litigation & legal advice	52	50	3,405	...	...	-156	...	...	...	...	...	211	65	52	50	3,526
Office of special investigations	47	47	3,267	...	...	-148	...	...	...	...	...	199	59	47	47	3,377
Prosecution support	125	115	6,317	...	...	-291	...	...	...	...	...	299	151	125	115	6,476
Organized crime drug enforcement	6	6	616	...	...	-28	...	...	...	...	...	...	8	6	6	596
Management & administration	83	84	4,683	...	...	-208	...	...	...	...	...	4	112	83	84	4,571
Total	769	724	47,147	...	...	-2,154	...	...	...	...	...	1,479	949	769	724	47,471

Congressional Appropriations Action

The final congressional appropriation, enacted under P.L. 99-500, reduced the President's budget request for the Criminal Division by $2,154,000.

Supplementals Requested

The 1987 supplementals requested by the Criminal Division include $1,354,000 for costs associated with the relocation of most of its Washington, D.C. operations from the Federal Triangle Building, at Ninth and D Streets, to the Bond Building, at Fourteenth Street and New York Avenue; $175,000 for increased charges for the Federal Telecommunications System; $429,000 for increased pay costs associated with the January 1987 pay comparability increase; and $520,000 for costs associated with the new Federal Employees Retirement System (FERS).

Criminal Division

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	769	774	$44,993
1987 pay and retirement supplemental requested	...	...	949
1987 program supplemental requested	...	...	1,479
1987 appropriation anticipated	769	774	47,421
Transfer from other accounts:			
Financial and administrative systems support group	...	...	41
Uncontrollable increases	...	14	5,138
Decreases	...	...	-918
1988 base	769	738	51,682

	1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Criminal matters	756	727	$43,337	769	724	$47,421	769	738	$51,682	814	771	$56,151	45	33	$4,469

Salaries and expenses, General Legal Activities

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1987 as enacted	769	724	$44,993
1987 pay and retirement supplemental requested	...	...	949
1987 program supplemental requested	...	...	1,479
1987 appropriation anticipated	769	724	47,421
Adjustments to base:			
Transfer to other accounts:			
Financial and administrative systems support group	...	...	41
Uncontrollable increases:			
One additional compensable day	...	...	124
Annualization of 1987 Bond Building supplemental	...	...	106
Annualization of additional positions approved in 1987	...	14	497
Annualization of Federal Employees' Retirement System Costs	...	...	751
Annualization of 1987 pay increase	...	...	1,562
Within-grade increases	...	...	316
Retirement contributions - Social Security (FICA)	...	...	47
Medicare costs	...	...	9
Locality based per diem	...	...	229
GSA Rent	...	...	1,174
GSA recurring reimbursable services	...	...	11
Federal Telecommunications System (FTS)	...	...	66
Telephone service	...	...	43
GPO printing costs	...	...	5
Employee data and payroll services	...	...	29
Audio visual and media services	...	...	5
General pricing level adjustment	...	...	176
Total uncontrollable increases	...	14	5,738
Decreases:			
Reduction for change in hourly rate	...	...	-59
Reduction in health benefits	...	...	-37
Nonrecurring costs for relocation supplemental requested in 1987	...	...	-822
Total, decreases	...	...	-918
1988 Base	769	738	51,682

Criminal Division

General Legal Activities, Salaries and expenses

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1986 as Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity..	29	29	$1,750	29	29	$1,826	28	28	$1,825	28	28	$1,992	28	28	$1,992	...	...	...
Organized crime prosecution.	240	227	14,151	240	228	14,322	249	230	15,090	249	235	16,770	273	253	19,082	24	18	$2,312
Public integrity (corr).....	35	34	2,135	35	34	1,793	34	33	2,341	34	33	2,465	34	33	2,590	...	...	125
Fraud.....	75	69	4,460	75	69	4,500	80	71	5,414	80	74	5,814	86	78	6,522	6	4	708
Narcotic & dangerous drug prosecution.....	31	29	1,858	31	33	1,956	35	31	2,163	35	33	2,367	35	33	2,503	...	...	141
Internal security.....	32	31	1,900	32	30	1,838	30	29	2,043	30	29	2,150	30	29	2,227	...	...	77
General litigation & legal advice.....	52	50	3,856	52	45	3,936	52	50	3,525	52	50	3,717	56	53	4,175	4	3	458
Office of special investigations.....	47	47	3,127	47	44	3,661	47	47	3,377	47	47	3,547	47	47	3,547	...	...	...
Prosecution support.....	120	115	5,912	120	121	6,128	125	115	6,476	125	119	7,166	136	127	7,814	11	8	648
Organized crime drug enforcement.....	6	6	598	6	6	583	6	6	596	6	6	632	6	6	632	...	...	...
Management & administration.	89	91	4,665	89	88	4,804	83	84	4,571	83	84	5,067	83	84	5,067	...	...	...
Total.....	756	728	43,412	756	727	43,337	769	724	47,421	769	738	51,682	814	771	56,151	45	33	4,469
Other Workyears																		
Overtime.....		2			1			2			2			2			...	
Total compensable workyears.....		730			728			726			740			773			...	

Activity Resource Summary
(Dollars in thousands)

Activity: Criminal matters	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity	28	28	$1,825	28	28	$1,992	28	28	$1,992	...	...	...
Organized crime prosecution	249	230	15,090	249	235	16,770	273	253	19,082	24	18	$2,312
Public integrity (corruption)	34	33	2,341	34	33	2,465	34	33	2,590	...	...	125
Fraud	80	71	5,414	80	74	5,814	86	78	6,522	6	4	708
Narcotic & dangerous drug prosecution	35	31	2,163	35	33	2,362	35	33	2,503	...	...	141
Internal security	30	29	2,043	30	29	2,150	30	29	2,227	...	...	77
General litigation & legal advice	52	50	3,575	52	50	3,717	56	53	4,175	4	3	458
Office of special investigations	47	47	3,377	47	47	3,547	47	47	3,547	...	...	...
Prosecution support	125	115	6,476	125	119	7,166	136	127	7,814	11	8	648
Organized crime drug enforcement	6	6	596	6	6	632	6	6	632	...	...	...
Management & administration	83	84	4,571	83	84	5,067	83	84	5,067	...	...	...
Total	769	734	47,421	769	738	51,682	814	771	56,151	45	33	4,469

This budget activity includes resources for the primary missions of the Criminal Division. Funds requested for this activity support personnel involved both at headquarters and in the field in the prosecution of over 900 criminal statutes.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Federal appellate activity	28	28	$1,825	28	28	$1,992	28	28	$1,992	...	...	...

Long-Range Goal: To secure judicial interpretations favorable to the administration of criminal justice.

Major Objectives:

To prepare briefs and petitions for the Solicitor General in Supreme Court cases.

To handle circuit court appeals referred to this program by other components of the Division and by the United States Attorneys.

To prepare memoranda on behalf of the Criminal Division to the Solicitor General recommending whether further review should be sought for lower court decisions which are adverse to the government.

To devise creative and, when necessary, innovative approaches to issues of first impression so as to provide a foundation for the development of new concepts in criminal law.

Base Program Description: The Appellate Section reviews all federal criminal cases presented to the Supreme Court for a writ of certiorari, and the Section determines whether to respond or to waive a response because the written opinion of a lower court adequately answers the claims presented in the petition. If a response is deemed unnecessary, that decision is forwarded to the Office of the Solicitor General. If the decision is made to respond to the petition, a brief opposing review by the Supreme Court is prepared by an Appellate Section attorney and forwarded to the Solicitor General for approval and filing. The Appellate Section also examines Court of Appeals decisions that are adverse to the Department of Justice, making influential recommendations to the Solicitor General on behalf of the Criminal Division as to whether review of these decisions by the Supreme Court should be sought. The Solicitor General authorizes a request for Supreme Court review, the Section prepares petitions for a writ of certiorari. The Appellate Section is charged with researching the law thoroughly and drafting the strongest possible arguments in favor of the government's position. Whenever the Supreme Court agrees to review a federal criminal case, the Appellate Section is responsible for formulating the position of the Criminal Division on issues presented for review, researching the applicable principles of law, and drafting the Criminal Division's view for the government's brief. The Appellate Section also makes recommendations for the Criminal Division as to whether the Federal government should participate as amicus curiae in State cases pending before the Supreme Court. If such participation is authorized, the Appellate Section performs the research and brief-writing tasks in preparation for the filing of the amicus curiae brief. With regard to federal Court of Appeals cases, the Appellate Section performs several important roles. First and foremost, the Appellate Section provides advice and guidance to Assistant U.S. Attorneys who seek assistance in the preparation of an appeal to a federal circuit court. Frequently, at the request of United States Attorneys, Section attorneys write briefs and participate in oral argument. This assistance is particularly noteworthy because it leads to the handling by the Appellate Section of many important appeals containing serious constitutional questions or issues of first impression. The development of caselaw in some crucial areas has been favorable to the government's position because of the contribution of expertise by Appellate Section attorneys. Since the Supreme Court reviews fewer than one percent of all cases presented for its consideration, the decisions rendered by Courts of Appeals customarily represent the final say on critical issues of law.

Accomplishments and Workload: The quantitative experience and expectations of the Appellate Section are presented in the following table:

Item	1985	1986	Estimates 1987	1988
Briefs in opposition to certiorari petitions	317	336	350	350
Court of Appeals briefs and arguments	196	205	200	200
Supreme Court briefs (including amicus curiae)	29	32	25	25
Government petitions for certiorari	25	21	20	20
Adverse decision memoranda	827	784	800	800
Supreme Court waivers of response	792	763	750	750

The Appellate Section's major role last year was to ensure that the Comprehensive Crime Control Act of 1984 (Title II of P.L. 98-473), would be implemented in a manner fully consistent with its underlying purposes. To ensure that, the Section:

-- rendered advice to United States Attorneys' Offices in connection with problems arising under the new Act, including information pertaining to positions or policies adopted by the Department, and of relevant arguments, including supporting materials.

-- handled cases generated under the new Act to ensure a favorable judicial interpretation. Such cases included one upholding the constitutionality of the new pretrial detention provisions of the bail statute and another construing the "first appearance" requirement contained in the Act.

-- assisted in the preparation of the Government's petition for a writ of certiorari to have the Supreme Court review the constitutionality of the new Act.

Another important statutory scheme which the Appellate Section successfully sheparded during the year was the Speedy Trial Act. In connection with this important Act, the Section provided advice to United States Attorneys' Offices on important policy issues arising under the Act, and directly handled cases involving important questions of statutory construction.

Several cases handled successfully by the Section included issues of critical importance to the Department's mission, such as: U.S. v. Smith, in which the Court of Appeals held for the first time that governmental privileges applicable in other cases must be applied also in espionage cases brought under the Classified Information Procedure Act. This case allowed the government to insist upon a showing of special need before secret information is disclosed either to, or by the defense, including information relating to surveillance gathering techniques; A case in which the Third Circuit upheld the President's power to convene a Commission and appoint to it members of the Judiciary, over arguments that such appointments violated the separation of powers; A case upholding that any attempted assassination of an official guest of the United States (in this case from India), may be prosecuted under 18 U.S.C. §1116, 1117, despite the failure of the State Department to formally designate the victim as an "official guest" pursuant to internal regulations; and, another case in which the Court of Appeals held for the first time that the government may obtain from the court, in appropriate cases, a protective order preventing a witness subpoenaed before the grand jury from disclosing that he has appeared, the nature of his testimony, as well as which, if any documents, the grand jury requested.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Organized crime prosecution.....	249	230	$15,090	249	230	$16,770	273	253	$19,082	24	18	$2,312

Long-Range Goal: To reduce the influence of major organized criminal activities on the economic, political, and social institutions of the United States.

Major Objectives:

To conduct the investigation and prosecution of all major organized crime matters.

To initiate new investigative approaches and ensure full and appropriate use of all statutory and other tools effective in organized crime prosecution.

To provide prosecutorial support and assistance to other Federal, state and local officials combatting organized crime.

To maintain national liaison, planning and coordination among all Federal agencies involved in organized crime law enforcement.

Base Program Description: The resources of the Division's organized crime program have been directed at those organized crime groups which appear to pose the greatest threat to the economic, political and social well-being of the country. Most of the attorneys in this program are assigned to Organized Crime Strike Forces located in 26 major cities where organized crime is viewed as most influential and, therefore, constituting the greatest threat. The program's Washington-based office is responsible for overseeing the activities of the Strike Forces, and ensuring that they comply with the five general priority areas established for the program: organized criminal involvement in labor-management racketeering, business infiltration, violent crime, public corruption and narcotics. The policy guidance provided to the individual Strike Forces is also tailored to accommodate special regional considerations. Each individual Strike Force is responsible for coordinating the Federal effort against organized crime within its assigned region. In cooperation with the U.S. Attorneys and with state and local authorities, it identifies the major organized crime organizations and activities, conducts the appropriate investigations, and prosecutes the targeted offenders. Each Strike Force is composed of Criminal Division attorneys, investigators from virtually every Federal agency concerned with organized crime, and, in many cases, representatives of state and local agencies. This interagency approach means that more information is shared, that inefficient competition among agencies and duplication of effort is reduced to a minimum, and that the expertise of a variety of disciplines is marshaled for a unified, more comprehensive approach to the problem. Attorneys in the Strike Forces are brought into an investigation at its

investigation to determine whether the case has sufficient merit to be continued, in light of established priorities, and to ensure that the conduct of the investigation both complies with all applicable legal requirements and takes advantage of the most effective statutory tools available. The Washington office is responsible for assessing the relative needs of different cities and districts for Strike Force attention. Finally, the objective to maintain liaison among all Federal agencies involved in organized crime law enforcement is being addressed at two levels. First, the fact that each of the Strike Forces is composed of representatives of virtually all these agencies means that an effective liaison is maintained at the working level through day-to-day, on-the-job contact. Prosecutors and investigators work side-by-side on their joint cases, and Strike Force heads are in constant communication with the managers of the investigators' respective agencies. Second, at the national level, the chief of the program chairs the National Organized Crime Planning Council (NOCPC), which meets almost every month. The members represent all the Federal agencies combatting organized crime, and the primary purposes served are achieving a consensus on planning national efforts, evaluating Strike Force activities, maintaining liaison among Federal agency directors, sharing information, and identifying and resolving common problems.

Accomplishments and Workload: The recent experience and future projections of the Organized Crime prosecution program are summarized quantitatively in the following table:

Item	1985	1986	Estimates 1987	1988
Matters:				
Pending, beginning of year	421	430	407	412
Opened	205	165	185	240
Closed	196	188	180	220
Pending, end of year	430	407	412	432
Cases (lead prosecutions):				
Pending, beginning of year	329	277	287	287
Opened	215	210	200	245
Closed	317	200	200	230
Pending, end of year	277	287	287	302
Disposition of defendants in cases litigated:				
Convictions	483	392	406	469
Acquittals/dismissals	107	66	35	35
Other dispositions	157	301	55	63

--Erosion of Leadership. Major mob leaders and operatives from the Midwestern cities most heavily affected by organized crime were awarded substantial prison terms following a prosecution in Kansas City, Missouri. Joseph "Joey Doves" Aiuppa, boss of the Chicago Syndicate, and his underboss, John "Jack the Lackey" Cerone, received 28½-year prison terms. Carl Deluna, a top candidate for boss of an organization in Kansas City decimated by a pervious prosecution, received 16 years' imprisonment, as did Cleveland syndicate member Angelo La Pietra. Milton Rockman, the financial advisor to the Cleveland mob, received a 24-year sentence. Milwaukee mob boss Frank Balistrieri was given a ten-year sentence (his third in as many years) on an earlier guilty plea. All were convicted of creating and sharing in an systematic skim of cash from casinos in Las Vegas, Nevada.

New England underboss Gennaro Anguilo was sentenced to 45 years in prison and fined $130,000; mob captain Samuel Granito received a 20-year prison sentence and $35,000 fine, while syndicate members Francisco Anguilo and Donato Anguilo received 25- and 20-year sentences. The sentences were passed in a racketeering prosecution in which six murders, previously unsolved, were attributed to the group, which used them to instill discipline and compliance in carrying out other racketeering businesses. A second captain and the family counselor remain to be tried. Some $4 million in property was forfeited to the Government.

--Infiltration of business. Family captain Michael Franzese was sentenced to ten years in prison, fined $35,000 and ordered to make restitution of $10 million. In addition, $4.7 million in property acquired by Franzese was declared forfeit to the Government. Franzese had entered guilty pleas to racketeering and other charges grounded in his participation in frauds committed in the automobile industry in New York City. These include evasion of millions in gasoline excise tax owing to the Federal, State and local governments, which represented most of the restitution ordered.

Colombo family captain Salvatore Profaci was sentenced to four years in prison for bribing James Gow, a former vice president of the A&P Food Stores, to divert the grocery chain's scrap corrugated boxes to recycling firms controlled by Profaci. Gow was imprisoned for two years.

--Corruption of Public Officials. Former Cook County, Illinois, Sheriff's Officers Bruce Prasch and James Keating were each sentenced to 15 years in prison followed by five years' probation, conditioned on payment of all taxes, penalties and interest. Prasch commanded the Vice Control Unit and Keating the Intelligence Unit. They and three other officers had received bribes from local prostitution operators for years prior to detection by an FBI undercover investigation. The operation also resulted in the indictment of the prostitution operation and of Michael Spilotro, brother of Anthony Spilotro, who attempted to collect a mob "street tax." Michael Spilotro's body was found next to that of his brother on June 22, 1986.

--Mob Violence. Vincent Frank Santa and Thomas Orlando were convicted of extortion for their part in a threat to kill at random an employee of an air freight firm and reinstall pickets from Teamster Local 295 if agreed payoffs were not continued. Frank Calise, President of Local 295, had pled guilty to a related indictment earlier.

Guilty pleas to racketeering charges were entered by Anthony Colombo and seventeen of the 25 defendants associated with his "crew" of the Colombo family. Those entering pleas included three mob members. The indictment had charged systematic violations of murder, extortion, robbery, theft and fraud statutes. Colombo pled to a prison sentence of 14 years plus half a million dollars in forfeiture and restitution.

Bail of Angelo Ruggiero was revoked in a previously pending drug charge when he threatened the prosecutor during a bail hearing occasioned by his indictment as a member of the Gambino family. Information developed during the hearing indicated that Ruggiero had been a participant in three gangland slayings, including that of Paul Castellano, the late boss of the family.

Colombo family member Beniamin LoCicero was awarded a five-year sentence for his part in firebombing the home of a citizen allegedly indebted to an associate of LoCicero.

--Labor Racketeering. In what is probably the most significant labor racketeering case of the decade, the Court of Appeals affirmed the judgment of the lower court which installed court-appointed trustees to replace the racket-riddled seven-member executive board of Teamster Local 560 in Newark, New Jersey. The trial court had found, after a four-month civil trial, that the local had been infiltrated by "mobsters" and "gangsters aided and abetted by their relatives and sycophants" who had "engaged in a multifaceted orgy of criminal activity" which had extinguished all semblance of union democracy. Local 560 had been run for years by Anthony "Tony Pro" Provenzano, a captain in the Gambino crime family. When he was sentenced to 20 years in prison for extortion to be followed by a life term in New York prisons for the slaying of his original rival for union office, his brother Nunzio took over the union. When Nunzio received a ten-year sentence for labor racketeering, a third brother, Salvatore, assumed the presidency and Tony Pro's daughter, Josephine Provenzano, became secretary-treasurer. The Government brought suit under the civil provisions of the racketeering statutes to turn the rascals out and attempt to place the union back into the hands of its members--the first such action ever filed in Federal court. Approval of this strategy by the appeals court opens the possibility of wresting many union locals from the control of organized criminals, and another such suit has already been filed. Ironically, the former trustees are now sponsoring a letter-writing campaign to the President of the United States protesting the loss of union democracy.

--Drug Trafficking. In Miami, Florida, Raymond Michael Thompson was convicted by a jury for importing and distributing over 1,000 tons of marijuana. From 1979 until mid-1981, Thompson had used the Amity Yacht Center as his base of operations, dispatching prosperous-looking employees (he had over 200) on shiny yachts to meet mother-ships offshore and bring in the loads. At one point, two of his attorneys even duped the former president of the Dominican Republic into aiding them in laundering the profits from the enterprise. (Both lawyers were also convicted.) Forfeiture of the marina and other property and equipment related to the case approaches $4 million.

In Detroit, Michigan, a cocaine ring run by J.D. Thornton, originally capitalized by a $1 million armored car robbery, was broken upon conviction of all major participants on racketeering charges. Cash and property worth $650,000 was declared forfeit. Thornton was sentenced to 15 years.

--Washington Operations. In addition to the management cadre, a small staff of attorneys is based in Washington, D.C., to give legal support to the Strike Forces and U.S. Attorneys on the racketeering, labor, gambling and other laws managed by the Section and to staff major projects of national import. The budget for the Organized Crime and Racketeering Section in 1986 was just over $14 million.

Program Changes: The Criminal Division requests an increase of 24 positions and $2,312,000 to enable it to respond to the recommendations of the President's Commission on Organized Crime.

444

In its report, the President's Commission on Organized Crime noted three major characteristics of organized crime in the United States today. In the first place, there has been a rapid growth in recent years of newly organized, crime groups. Most are ethnic-based, although some originated in U.S. prisons or as motorcycle gangs. They share with traditional organized crime, i.e., La Cosa Nostra, a drive to establish a criminal territory, a disrespect for law and a willingness to rely on violence, criminality and corruption to achieve their ends. Organized crime in the United States today is a complex tapestry of multiple groups supported, wittingly or unwittingly, by numerous protectors, specialists and associates. In the second place, the Commission found that the forces of law enforcement indeed have "the mob on the run." Recent successes by law enforcement against the leadership, membership, and associates of La Cosa Nostra have seriously disabled its operations. The emerging groups cited in the report, however, are attempting to fill the vacuum and the Report recommends that law enforcement must broaden its perspective to address the full panoply of organized criminal groups and their methods of operation. The final finding of the Commission has been widely reported previously and has been the subject of a Reagan Administration program for several years; namely, the increased concentration of Organized Crime on drug trafficking. This problem has been, in general, the project of the Organized Crime Drug Enforcement Task Forces; however, in offenses, where traditional Organized Crime families are involved, the Criminal Division's Organized Crime Strike Forces have taken the prosecutorial lead.

In a separate report on labor racketeering, the Commission has instructed the Department of Justice to develop new initiatives against organized crime activity in labor unions and the market place. It has recommended the more widespread application of all the remedies available to the government, under the Racketeer Influenced and Corrupt Organized (RICO) laws, more extensive efforts to decertify hoodlum unions, and the creation of industry-specific task forces to remove organized crime from these industries. The Attorney General has created a working group to examine the Commission's recommendations and to implement such new policies as appropriate.

In addition to the funds required to support the new positions included in this request, an increase of $95,000 in funds for overtime and awards and an increase of $565,000 for automated litigation support are contained in this request. The overtime and award funds are intended to bolster the morale of the overworked and underpaid support staff serving in the Strike Force offices. Out of sheer dedication to the purposes of this activity, clerical employees have been regularly volunteering for compensatory leave in lieu of paid overtime. However, due to work pressures, they have been, in most instances, unable to use the compensatory leave that they have earned. Morale is suffering badly, and sufficient funds to provide for paid overtime and some incentive awards will help to correct the present inequitable situation. In addition, the Strike Forces are in ever increasing need for automated litigation support to index and analyze transcripts and other documents that are necessary to prepare for grand jury and courtroom presentations. The estimated requirement of $565,000 is based on the estimated cost of several recent projects that the Division has considered, but ultimately rejected for lack of funds.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Public Integrity	34	33	$2,341	34	33	$2,465	34	33	$2,590	...	...	125

Long-Range Goal: To enhance the public's confidence in elected and appointed officials at all levels of government by deterring dishonesty and corruption in the discharge of the public's business and by protecting the integrity of the franchise.

Major Objectives:

To supervise the investigation and conduct the prosecution of selected corruption cases at the Federal, State and local government levels.

To supervise the investigation and conduct the prosecution of all matters involving alleged criminal misconduct by Federal judges.

To ensure an effective Federal law enforcement effort against election fraud and criminal conflicts of interest among Federal employees.

To assist U.S. Attorney personnel in developing their own capabilities to recognize, investigate and prosecute public corruption and election fraud offenses.

To respond, within the statutory time limits, to complaints subject to the Independent Counsel provisions of the Ethics in Government Act (28 U.S.C. 591, et seq.) and, after investigation, to make timely recommendations to the Attorney General concerning the need for the appointment of independent counsel in such matters.

To establish and maintain liaison with the Inspectors General and others responsible for the investigation and administrative discipline of public employees and to ensure the flow of intelligence concerning employee crimes to federal prosecutorial personnel.

Base Program Description: The Public Integrity Section prosecutes selected cases against Federal, State, and local officials, and its staff is available as a source of advice and expertise to law enforcement officials and prosecutors at all levels of government. In addition, the program serves as a center for planning, coordinating and implementing nationwide programs focused on public corruption and abuse of the franchise. Approximately 75 percent of the program's resources are presently devoted to operational responsibilities for investigation and litigation of cases and matters, while about 25 percent of its resources are presently devoted to support of United States Attorney activities. In addition to the cases it has developed itself or cases that arise out of its special initiatives, the program is responsible for the prosecution of corruption cases in which United States Attorney personnel have recused themselves, and it routinely assists in the disposition of public corruption matters involving multi-district problems or unusually sensitive subject matter.

Accomplishments and Workload: The recent experience and projections for the future with regard to litigation for which the Public Integrity Section is directly responsible are summarized quantitatively in the following table:

Item			Estimates	
Matters:	1985	1986	1987	1988
Pending, beginning of year	112	134	147	147
Opened	145	298	160	167
Closed	123	285	160	165
Pending, end of year	134	147	147	149

Cases (lead prosecutions):

Pending, beginning of year	30	34	44	40
Opened	36	31	32	35
Closed	32	21	36	35
Pending, end of year	34	44	40	40
Disposition of defendants in cases litigated:				
Convictions	55	47	50	55
Acquittals/dismissals	3	...	...	...
Other dispositions	...	...	...	...

--Independent Counsel Allegations. The Section is responsible for all Independent Counsel matters under the Ethics in Government Act. The Section supervises any necessary preliminary investigation, and prepares a recommendation to the Attorney General as to whether the Independent Counsel provisions have been triggered and whether a further investigation is warranted. The Section has been able to apply a uniform standard and to develop a consistent procedure applicable to each case, ensuring that these matters are properly handled within the stringent time limits of the Act. Recently, the Section has handled preliminary investigations of allegations against former White House officials Michael Deaver and Lynn Nofziger, and allegations against Justice Department officials concerning their handling of a 1983 investigation of the Environmental Protection Agency, and allegations concerning the transfer of arms to Iran and the diversion of the proceeds from sales to the Nicaraguan Contras.

--Investigations of Federal Judges and Federal Law Enforcement Officials. The Public Integrity Section has exclusive jurisdiction over allegations against federal judges. In FY 1986, the Section obtained the conviction of Chief Judge Walter Nixon of the Southern District of Mississippi on charges of perjury.

Cases against federal law enforcement officials are also frequently handled by the Section. For example, in FY 1986, the Section obtained the conviction of an Assistant United States Attorney in New York on drug charges, the conviction of an FBI agent in California on charges of perjury concerning his theft from the government, and the convictions of several members of the South Florida Drug Task Force on allegations of fraud against the government.

--Election Crimes. A special Election Crimes Branch has been part of the Section since 1980, and it has made considerable progress in making election fraud a national priority. The Branch has three major functions: it prosecutes selected cases itself, such as one ongoing project in North Carolina in which over 40 convictions for vote fraud and related offenses have already been obtained. Through such prosecutions and accompanying appellate victories, previously unclear areas of election fraud law have been clarified and endorsed by the courts, and used with increasing frequency around the country. Secondly, the Branch provides advice and support to the United States Attorneys' Offices in the application of election fraud and campaign financing laws to the myriad situations that arise in the course of a campaign and election. Finally, in order to encourage greater awareness of election crimes, it has taken on a major role in training prosecutors and election officials, giving lectures on the various statutes available to combat these offenses, and publishing four editions of a comprehensive election crimes manual.

—Other Section Priorities. The above are the most publicly visible of the Section's responsibilities, but it has also initiated a number of other important public corruption projects. The Section has developed valuable expertise and close working relationships with the CIA, the State Department, and other agencies with overseas operations, enabling it to prosecute a number of crimes occurring in whole or in part overseas. In the past, these cases have received little attention because they are plagued by diplomatic complications, extremely expensive travel, uncooperative witnesses, and evidence beyond the reach of process. Despite these problems, the Section has actively pursued overseas corruption cases, and has successfully prosecuted American officials for their crimes committed abroad. For example, in FY 1986, an officer of the United States Agency for International Development assigned to North Yemen pled guilty to defrauding the government.

Conflicts of interest is another area of corruption where the Section has focused its attention. The area of the criminal law dealing with conflicts of interest is complex and technical, and is only beginning to take on substance through litigation. The Section's Conflicts of Interest Crimes Branch handles several conflicts prosecutions each year, and fields many requests for advice from other federal agencies and prosecutors.

State and local corruption continues to be a high priority of the Section. In FY 1986, the Section handled major local corruption projects in Mississippi, Boston, and Rhode Island.

Program Changes: The Criminal Division is requesting increases for the Public Integrity Section amounting to $12,000 for overtime and incentive awards, $14,000 for employee relocation expenses, $57,000 for travel expenses and $42,000 for automated litigation support. The increase in overtime and award funds will bolster the sagging morale of the Section's support staff. The relocation funds will assist in the recruitment of experienced federal prosecutors who are asked to transfer to the Washington, D.C. location of the Public Integrity Section. The travel money will enable the Section to intervene in criminal prosecutions in all instances when the U.S. Attorney does not possess sufficient staff or specialized expertise, when an investigation has been coordinated exclusively by the Division and referring the prosecution to the U.S. Attorney would be impractical because of the complexity of the case, or when a prosecution requires intervention by national authorities in order to coordinate aspects of the case that extend beyond a single judicial district. Finally, the increase for automated litigation support will enable the Section to apply appropriate technology to indexing and analyzing transcripts and other documents that are essential to preparation of grand jury and courtroom presentations.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Fraud	80	71	$5,414	80	74	$5,814	86	78	$6,522	6	4	$708

Long-Range Goal: To reduce the incidence of white collar crime through a comprehensive program of prevention, detection, investigation, prosecution, and punishment of white collar crime offenses.

Ko or Objectives:

To conduct fraud prosecutions which require resources that exceed the capacity of individual U.S. Attorneys.

To assist in the formulation of prosecutorial policies, especially through the conduct of selected litigation which will serve to demonstrate the viability of particular statutes, theories or techniques as model prosecutions.

To develop and enhance local, state, federal and international law enforcement cooperation in combatting white collar crime.

To identify recurring illegal schemes and devise new practices and procedures for minimizing opportunities for criminal conduct.

To provide specialized training to prosecutors and investigators on effective techniques and procedures for investigating and prosecuting white collar crime cases.

Base Program Description: The Fraud program's overall objectives are accomplished to a great extent, through the work of its four litigating branches and its Defense Procurement Fraud Unit. The primary function of the litigating branches, around which all other functions are designed, is the conduct of major criminal investigations and prosecutions. The selection of specific investigations is based on a variety of criteria, including: magnitude of the alleged fraud scheme; ability of United States Attorney's office to handle; complexity; unique fact pattern or theory of prosecution/investigation; and, contribution to long range prosecutorial goals. Many of the investigations are complex and lengthy, requiring over two years to develop, and a team of investigators and auditors with the Section prosecutor directing the team. The Fraud program has been actively involved in numerous DOD procurement fraud cases drawn from the nearly $600 million per day spent by DOD. Using their experience from prosecutions and investigations, Section attorneys present training programs for Federal auditors and investigators on a regular basis. In the securities fraud area, the Section maintains liaison with the national office of the Securities and Exchange Commission (SEC) and with the Commission's eight regional offices. Section attorneys are investigating several matters referred from SEC national headquarters and regional offices. The Section is often instrumental in obtaining evidence from foreign jurisdictions through the implementation of treaties and executive agreements on the use of Letters Rogatory proceedings, through reciprocal assistance provided by foreign prosecutors as a result of the assistance provided to them by the program, and through diplomatic channels as a result of the program's close liaison with the Department of State. Section attorneys are assigned to assist in the administration of the Foreign Corrupt Practices Act (FCPA) review procedure, established to satisfy the Presidential directive to provide guidance to the business community, thereby reducing any export disincentives created by perceived ambiguities in the FCPA. Section attorneys also provide staff support to projects of the Economic Crime Council, with the Section Chief serving as Executive Director of the Council. Through this work in particular, Section attorneys maintain ongoing liaison with several Inspectors General.

Accomplishments and Workload. The recent experience and projections for the future with regard to litigation for which the Fraud Section is directly responsible are summarized below:

Item	1985	1986	Estimates 1987	1988
Matters:				
Pending, beginning of year	74	47	20	30
Opened	30	30	50	60
Closed	57	57	40	50
Pending, end of year	47	20	30	40
Cases (lead prosecutions):				
Pending, beginning of year	34	20	16	21
Opened	17	17	30	35
Closed	31	31	25	30
Pending, end of year	20	16	21	26
Disposition of defendants in cases litigations:				
Convictions	55	38	70	85
Acquittals/Dismissals	2	10	...	...
Other dispositions	...	2	...	...

During 1986, the Fraud Section's Defense Procurement Fraud Unit continues to pursue cases of mischarging, product substitution, falsification of testing, kickbacks, and illegal sale of bidding information. Gould Defense Systems, Inc., a major defense contractor involved in the development and manufacture of Navy torpedoes, was convicted of making false statements in connection with progress payments on contracts and mischarging labor. Gould was fined $50,000 and paid the United States approximately $3.6 million in penalties. The GTE Government Systems Corp. was convicted of conspiracy to convert Defense Department documents containing classified information to their own use, was fined $10,000, and paid over $3.6 million in civil penalties. Three individuals were also charged and are awaiting trial. The Unit's investigation of the Defense Industrial Supply Center (DISC) in Philadelphia resulted in the convictions of five corporations, eight corporate officials and twelve DISC employees for giving or taking bribes totalling over $500,000 to influence procurement decisions in defense contracts. The Unit, working with the Federal Bureau of Investigation (FBI) and the Defense Criminal Investigative Service, obtained convictions of the president and other personnel of Golden Gate Forge and Flange, Inc., for conspiring to falsify results for pipe fittings in nuclear submarines when the materials failed to meet military safety specifications for strength and chemical composition. Defective materials, supplied by this firm to at least 11 naval installations, have been removed from several nuclear submarines. The meteoric growth of bank failures, particularly those due to insider frauds, has led to a new criminal referral system developed by the Bank Fraud Working Group. This body is comprised of the five financial regulatory agencies, the FBI and the Department. The Fraud Section plays a major role in this Group.

The Section is carrying out a directive to upgrade, audit and investigate capabilities of Health and Human Services (HHS) to detect health care provider fraud. The Section organized a training conference on health care provider fraud enforcement efforts for representatives of the health care providers, the FBI, HHS, U.S. Attorneys and the Fraud Section. In a major Medicare provider fraud case, a thoracic surgeon was convicted on conspiracy, Medicare fraud, and extortion charges. In sentencing him to 10 years and the maximum fine ($70,000), the judge stated a desire to deter others and make it clear that white-collar "offenders have no special status in our system of criminal justice," strengthening not only the Section's efforts to combat provider fraud but to obtain stronger sentencing deterrents in white-collar crime.

Finally, In a case prosecuted jointly by the Fraud Section and the United States Attorney's Office in Hawaii, Ronald Rewald was convicted on 94 counts of mail fraud, securities and other charges for devising a Ponzi scheme through which he defrauded approximately 400 investors of over $22 million. When Rewald's firm collapsed and went into bankruptcy, he claimed that he was merely operating a front for the Central Intelligence Agency. Rewald was sentenced to a total of 80 years in prison, fined $352,000 and ordered to make restitution to all of the investors named in the indictment.

Program Changes: The Criminal Division requests an increase of 6 positions and $708,000 for the prosecution of cases involving procurement fraud in the Federal Government's space exploration and national defense programs.

On August 26, 1982, Attorney General Smith and Secretary of Defense Weinberger agreed to establish a special unit to investigate and prosecute fraud and corruption cases involving Department of Defense (DOD) procurement contracts. The Defense Procurement Fraud Unit was established within the Fraud Section of the Criminal Division on October 15, 1982, and is now operating from its own offices in Alexandria, Virginia. It will however be relocated along with other Criminal Division components, to the Bond Building, at 14th and New York Avenue in Washington, D.C., in January 1987.

In the last three years, the Unit and the Fraud Section has focused on a number of areas, the principal among them being the intentional mischarging of labor costs by Defense contractors. The first of these cases to come to a conclusion was United States v. Sperry Corporation. Sperry agreed to enter a guilty plea to intentional mischarging on an Air Force contract involving the Minuteman Missile System. As part of the plea bargain, Sperry agreed to make restitution to the United States in the amount of $600,067. Another of these cases is United States v. Gould Defense Systems, Inc. Gould pled guilty to five civil matters and paid back in excess of $2.2 million which includes double damages for the criminal mischarges. An individual manager of Gould was acquitted by a jury. A more recent case is the indictment of General Dynamics and four corporate officials, including a former NASA Administrator, for shifting contract expenses for the Divisional Air Defense Gun System (DIVAD) prototype contract to independent research and development or bid and proposal overhead accounts. The Unit has also successfully prosecuted other mischarging cases and is handling another two dozen mischarging investigations.

The Unit is also responsible for the prosecution of GTE Government Systems, Corp. for conspiracy to defraud the United States by unauthorized conversion of Department of Defense documents containing classified and proprietary information. GTE has pleaded guilty and three individuals are awaiting trial pending an appeal by the United States of the trial judge's order authorizing the defendants to disclose classified information.

Another major focus of prosecution is product substitution cases in which companies sell substandard goods to DOD. The Unit has successfully prosecuted five individuals for directing the alteration and falsification of test results in connection with the manufacture of defective pipe fittings for installation in nuclear submarines. The material provided by Golden Gate Forge and Flange, Inc. had critical application in submarines and has been located and removed from several submarines. The Unit has half a dozen active cases in this area. Unit attorneys have participated in approximately two dozen training sessions for auditors, investigators, and prosecutors during the last year.

The last major area of concentration within the Unit concerns bribery of public officials in relation to procurement decisions. The Unit has coordinated a major investigation of the Defense Industrial Supply Center (DISC) in Philadelphia. To date, five corporations, ten corporate officials and ten DISC buyers have been convicted. Two DISC buyers were convicted in July for accepting more than $100,000 in bribes each. The prosecutions have established approximately $500,000 in bribes. Additional prosecutions have resulted in the suspension and debarment by DOD of several dozen individuals.

As public concern for the efficiency of the space exploration program continues to grow, especially with the Strategic Defense Initiative that has attracted many Defense contractors, the Defense Procurement Fraud Unit will be expanded to the Space/Defense Procurement Fraud Unit. The Criminal Division has already had one successful prosecution involving fraud in the construction of the shuttle launch facility and another involving micro-chips used in satellites unsuccessfully launched into orbit. Numerous allegations of fraud involving both the space exploration and defense programs have not been as effectively developed as the cases that are now being reviewed by the Defense Procurement Fraud Unit. In order to ensure adequate staffing for these increased responsibilities, an increase of three attorney positions, one paralegal and two clerical positions is requested for 1988.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Narcotic and dangerous drug prosecution	35	31	$2,163	35	33	$2,362	35	33	$2,503	...	...	$141

Long-Range Goal: To combat the growth of major criminal enterprises involved in drug trafficking by prosecuting the organizers and heads of criminal organizations that manufacture, smuggle, and distribute illicit drugs on a national or international scale.

Major Objectives:

To assist in the formulation of Federal drug prosecution policies, including the development of innovative investigative and prosecutorial methods and the enhancement or modification of existing statutory authorities to foster more effective drug enforcement.

To prosecute directly and/or to assist U.S. Attorneys in major international and multi-district cases involving the most significant violators or in implementing innovative prosecutorial methods, especially in the area of narcotics-related financial investigations.

To furnish instruction that will improve the effectiveness of federal enforcement agents and prosecutors who are responsible for investigating and litigating drug cases.

To promote interagency and inter-jurisdictional cooperation in the conduct of drug investigations and drug prosecutions.

To provide legal advice to the Executive Director of the Organized Crime Drug Enforcement Program and to otherwise assist the Director in matters pertaining to policy, implementation and evaluation of the program.

Base Program Description: This program works to alleviate the conceptual and operational problems that have historically limited the effectiveness of the Federal drug enforcement effort. Its efforts involve three main areas of activity. Organizing major investigations and prosecutions that extend traditional methods, assuming direct responsibility for the prosecution of specific cases and providing legal support, in the form of instruction and advice, to drug enforcement and prosecutorial agencies. The first activity is to be exemplified by Operation Greenback. This highly sophisticated enforcement operation is directed at identifying the assets and profits of illegal drug trafficking organizations and then seizing and obtaining the forfeiture of those assets. These efforts to disrupt the financial arrangements supporting drug distribution networks are conducted in addition to the prosecution of offenders under the drug laws. This program has provided hands-on training for enforcement agents and prosecutors in investigating and prosecuting the financial aspects of drug cases. The program, in addition, has fostered ongoing interagency cooperation because the investigations are conducted on a multi-agency basis.

All of the cases for which the Section assumes operational responsibility involve Drug Enforcement Administration Class I violators, have international or multi-district ramifications, and involve more than one federal investigative agency. The criteria considered in evaluating requests for this program's involvement include: the size, complexity and importance of a case, the extent to which the case exceeds the United States Attorney's resources, the likely investigative and prosecutive results if the Section declines the case, and the need for multi-district or interagency coordination. These cases are also undertaken at the request of the U.S. Attorney in situations where the U.S. Attorney has insufficient resources, where there could be a conflict of interest or for some other appropriate reason. The legal support activities of the Section include advising U.S. Attorney personnel on such matters as Department procedures, and recent court decisions, etc., reviewing adverse district court decisions for consideration of appellate review, analyzing legislative proposals, producing training courses and conferences, publishing a regular newsletter and assorted monographs, and participating in interagency working groups.

Accomplishments and Workload. The recent experience and projections for the future with regard to litigation for which the Narcotic and Dangerous Drug Section is directly responsible are presented quantitatively in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Matters:				
Pending, beginning of year	46	39	45	45
Opened	3	14	10	10
Closed	10	8	10	10
Pending, end of year	39	45	45	45
Cases (lead prosecutions):				
Pending, beginning of year	40	35	37	37
Opened	5	17	10	10
Closed	10	15	10	10
Pending, end of year	35	37	37	37

Disposition of defendants in cases litigated:

Convictions	123	57	50	50
Acquittals/dismissals	4	2	...	...
Other dispositions	...	...	...	...

Some of the major accomplishments of the Narcotic and Dangerous Drug Section in Fiscal Year 1986 include the following:

--Major prosecutions. The Section prosecutes directly and/or assists the U.S. Attorneys in major international and multi- district cases. These cases usually involve significant violators, the testing of innovative prosecutorial methods, especially in the area on narcotics-related financial investigations, or prosecutions under newly enacted statutes.

In Providence, Rhode Island, the Section was involved in a joint task force investigation which included the FBI, DEA, and the IRS. As a result of the drug-smuggling operation, two indictments were returned. In the first, a defendant was named in three counts, for evasion of taxes; in the second indictment, 14 defendants were named in a 15-count indictment charging (1) a continuing criminal enterprise, (2) conspiracy to import and possess with intent to distribute, (3) substantive counts of importation and possession with intent to distribute, (4) interstate and foreign transportation of securities, the proceeds of which were obtained by fraud, (5) filing of a false tax return, and (6) making a false statement to an agent of the IRS. All but one of the nonfugitive defendants have been convicted or pleaded guilty.

In Virginia, 14 defendants pled guilty in an Organized Crime Drug Enforcement Task Force (OCDETF) investigation of a continuing criminal enterprise, which included a retired county police officer, who was trafficking in marijuana and later cocaine for a period of eight to ten years, between 1974 and 1982-1984.

The Section is involved in a prosecution of approximately eight individuals in Okeechobee County, Florida. These individuals used a ranch with a clandestine airstrip to import multi-ton quantities of marijuana and multi-hundred kilogram quantities of cocaine. The grand jury returned a six-count indictment against four of the defendants. Three of the defendants are cooperating witnesses and have pled guilty. Trial against the remaining defendants is pending.

In Florida, an indictment was returned against 18 individuals, including a St. Petersburg attorney and a stockbroker. This 25-count indictment charged various defendants with Racketeer Influenced and Corrupt Organizations (RICO), RICO conspiracy, marijuana importation and distribution, and money laundering offenses. Five of the defendants pled guilty, two remain fugitives and fourteen went to trial. Twelve defendants were convicted and sentenced to serve prison terms ranging from six to 110 years.

An intensive investigation was undertaken approximately two years ago by the DEA/PRPD Drug Task Force, USCS and the FBI to disrupt the Panzardi narcotic trafficking organization which has been operating within the District of Puerto Rico, the U.S. Virgin Islands, and the Caribbean Islands, for approximately ten years. A total of 62 persons have been indicted, 43 of whom have been arrested or were already in custody on other charges. One extradition request is in progress. The investigation has yielded sufficient evidence for the seizure of 12 residences, 11 vehicles, three speedboats, and 12 aircraft. The drugs involved are multi-ton quantities of marijuana, multi-kilo quantities of cocaine and heroin, and 400 grams of hydromorphine.

Program Changes: The Criminal Division is requesting increases for the Narcotic and Dangerous Drug Section amounting to $13,000 for overtime and incentive awards, $17,000 for employee relocation expenses, $77,000 for travel expenses and $35,000 for automated litigation support. The increase in overtime and award funds will bolster the sagging morale of the Section's support staff. The relocation funds will assist in the recruitment of experienced federal prosecutors who are asked to transfer to the Washington, D.C. location of the Narcotic and Dangerous Drug Section. The travel money will enable the Section to intervene in criminal prosecutions in all instances when the U.S. Attorney does not possess sufficient staff or specialized expertise, when an investigation has been coordinated exclusively by the Division and referring the prosecution to the U.S. Attorney would be impractical because of the complexity of the case, or when a prosecution requires intervention by national authorities in order to coordinate aspects of the case that extend beyond a single judicial district. Finally, the increase for automated litigation support will enable the Section to apply appropriate technology to indexing and analyzing transcripts and other documents that are essential to preparation of grand jury and courtroom presentations.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Internal security	30	29	$2,043	30	29	$2,150	30	29	$2,227	...	...	$77

Long Range Goal: To enforce, in an effective and uniform manner, approximately 100 criminal statutes and regulations affecting the national security and foreign relations of the United States.

Major Objectives:

To investigate and litigate cases and matters in the area of national security.

To provide oversight and supervision of all prosecutions involving the Neutrality statutes, the Espionage statutes, the Arms Export Control Act, the Export Administration Act and the Classified Information Procedure Act.

To provide legal support and investigative guidance to all Federal investigative agencies engaged in national security matters.

To administer and enforce the Foreign Agents Registration Act (FARA) and two additional registration statutes.

To enforce the Federal Regulation of Lobbying Act, a conflict of interest statute, and a portion of the Federal Election Campaign Act of 1976.

To provide assistance to Members of Congress and all other appropriate officials involved in the regulation of lobbying.

To provide staff support (in particular, the Executive Secretary) to the Interdepartmental Committee on Internal Security (ICIS).

Base Program Description: This program enforces statutes and regulations relating to the national security and foreign relations of the United States by: supervising investigations and prosecutions involving national security and foreign relations; providing legal and policy guidance to U.S. Attorneys, law enforcement agencies and the intelligence community in the area of national security litigation; administering and enforcing the FARA, including the registration of representatives of foreign governments and entities; supervising investigations, conducting inspections and conducting all FARA-related criminal and civil litigation; providing specialized legal support to U.S. Attorneys in the areas of policy interpretation, legal research, and the drafting of indictments, pleadings and other legal papers; directly participating in criminal litigation, including grand jury proceedings, trials, appeals, and related legal actions; developing, analyzing and evaluating proposed legislation related to the internal security field; serving as the focal point for interagency coordination in cases such as espionage, neutrality, arms export control and export administration violations and cases involving the Classified Information Procedures Act; and, providing staff support personnel, including the Executive Secretary, to the Interdepartmental Committee on Internal Security.

Accomplishments and Workload: The recent experience and projections for the future with regard to cases for which the Internal Security Section is directly responsible is summarized quantitatively in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Matters:				
Pending, beginning of year	28	17	19	19
Opened	6	16	15	15
Closed	17	14	15	15
Pending, end of year	17	19	19	19
Cases:				
Pending, beginning of year	22	8	5	5
Opened	20	7	12	12
Closed	34	10	12	12
Pending, end of year	8	5	5	5
Disposition of defendants in cases litigated:				
Convictions	36	9	12	12
Acquittals/dismissals	...	1	...	...
Other disposition	...	1	...	...

During fiscal year 1986, seven individuals were indicted for espionage. Three of these were convicted after jury trials, three entered pleas of guilty, and one case is pending trial. Additionally, six individuals who were indicted before October 1, 1985, were convicted or entered pleas of guilty to espionage or espionage-related offenses during the fiscal year.

John Walker, a retired Navy warrant officer and one of the most significant spies of the post-War era, and his son Michael, a Navy enlisted man, entered pleas of guilty to charges of espionage on behalf of the Soviet Union. Pursuant to their plea agreements, they will be sentenced to life imprisonment and 25 years' imprisonment, respectively. Arthur Walker, a retired Navy officer, John's brother, was sentenced to life imprisonment for his participation in the spy ring. Thereafter, John Walker testified at the trial of his chief supplier of cryptographic secrets, Jerry Alfred Whitworth, a retired Navy chief radioman. Whitworth was convicted after a four-month trial, the longest espionage trial in U.S. history. He was sentenced to 365 years' imprisonment by a judge who called him one of the most spectacular spies of the century and ordered that the 47-year-old Whitworth not be released on parole until he has served 60 years of his sentence.

Former Federal Bureau of Investigation (FBI) agent Richard W. Miller was convicted of espionage and bribery involving the Soviet Union, resulting from his association with a Soviet emigre, Svetlana Ogorodnikova. He was sentenced to life imprisonment.
Several prosecutions involved the sale to foreign governments of information concerning or derived from United States intelligence activities. Ronald Pelton, a former employee of the National Security Agency, was convicted of providing the Soviets with highly sensitive information about signals intelligence projects. Larry Wu-Tai Chin, a retired Central Intelligence Agency (CIA) employee, was convicted of providing intelligence information from CIA files to the People's Republic of China. Jonathan Pollard, an intelligence analyst for the Navy, who furnished intelligence information to Israel, pled guilty, with his wife Anne Henderson Pollard, to espionage and related offenses.

Convictions in two other espionage cases became the basis for two international prisoner exchanges. Karl Koecher, a former CIA employee, entered a plea of guilty to espionage on behalf of Czechoslovakia, was sentenced to life imprisonment, and then exchanged for Anatoly Scharansky, the Soviet dissident and human rights activist, and three individuals incarcerated in East Germany for espionage. The second exchange resulted from the prosecution of CIA employee Sharon Scranage and Michael Soussoudis, a citizen of Ghana. Scranage pled guilty to disclosing the identities of covert CIA assets in Ghana to Soussoudis, who entered a plea of nolo contendere to receiving the information on behalf of his government. Thereafter, Soussoudis was exchanged for a number of Ghanaians who were in jeopardy as a result of Scranage's disclosures.

Among the most significant export control cases during the year are:

— Thomas Donley and 13 other individuals who were arrested as they boarded a chartered airplane to launch a mercenary expedition to overthrow the Government of Suriname, formerly Dutch Guiana, in South America. All of the defendants entered guilty pleas. The three organizers of this expedition pled guilty to felony charges. This case resulted from an undercover investigation by the FBI and the United States Customs Service.

— Seven members of a criminal organization in the Boston, Massachusetts, area who were charged in a 19-count indictment with the attempted illegal export of tons of weapons, explosives and related military equipment to the Irish Republican Army, and the attempted importation of 36 tons of marijuana into Boston. The weapons were loaded on a ship in Massachusetts, and several days later, this ship met off the coast of Ireland with another ship, and the weapons were transferred. However, Irish naval and law enforcement authorities boarded the ship and seized the weapons.

— Eight individuals who were charged with conspiracy and substantive offenses of the Racketeer Influenced and Corrupt Organizations (RICO) statute and with additional conspiracy in Massachusetts. The indictment charges that during a period from 1974 through 1985, the defendants formed and participated as an organization to bring about the overthrow of the United States through a series of 19 bombings and nine bank robberies.

Pihar Semiconductors, a Spanish company, which pled guilty to charges that from 1979 to 1982, Pihar diverted in excess of $2 million worth of semiconductor manufacturing equipment to the Soviet Union and Cuba, in violation of the EAA. Pihar was fined $1 million and placed on probation for five years.

John J. McTavish who was sentenced in Georgia to five years' imprisonment following his conviction on offenses under the AECA, charging the unlawful export of military aircraft parts to Iran and Chile. The Court ordered the forfeiture of $4.5 million of aircraft parts which were seized by the United States Customs Service.

Heinz Golitschek, an Austrian national, who was sentenced in New York to three and one half years' imprisonment after his conviction on charges of conspiracy to export military helicopters and TOW missiles to Iran. Mr. Golitschek had been arrested in Canada and extradited to the United States.

Werner J. Bruchhausen, a West German national, who was extradited to stand trial in California, by a British court, on a 16-count indictment. Bruchhausen is charged with a scheme to defraud the United States by exporting in excess of $8 million worth of computers and semiconductor manufacturing materials to the Soviet Union, in violation of the national security controls placed on such equipment under the EAA.

Edward J. Elkins, a California businessman, and 11 other defendants including Libyan nationals, who were charged with exporting two Lockheed L-100-30 commercial aircraft and spare parts to Libya, in violation of the EAA and related statutes.

The Internal Security Section received 139 additional registrations under the FARA, bringing the total number of registrations to 3,880. In-depth inspections of a broad spectrum of registrants were conducted to insure that they complied with the disclosure provisions of the Act and approximately 3,000 documents were reviewed to insure that accurate and complete information is available for public review.

In connection with the Section's administration of the FARA with respect to three films distributed by the National Film Board of Canada (NFBC), two civil actions were filed in 1983 by members of the public, including a film distributor and a state senator, alleging that their First Amendment rights were violated by enforcement of the Act. The civil actions, Block[1] and Keene[2] were filed in the District of Columbia and California, respectively. The actions sought declaratory and injunctive relief against the application of the provisions of the Act to the NFBC films on First Amendment and other grounds.

In the Block case, the lower court granted the government's motion to dismiss. Plaintiffs appealed to the circuit court where oral argument was held and the court, in a unanimous decision, directed the lower court to enter judgment for the government.

In the Keene case, the court decided that the term "political propaganda" in the Act was an unconstitutional burden on the free speech rights of the plaintiff, and enjoined enforcement of any portion of the Act utilizing that term. The opinion was later narrowed at the Government's request, to the three films at issue. The Supreme Court has noted probable jurisdiction in the Keene case.

The Section's "Graymail" Unit supervised 34 cases involving the Classified Information Procedures Act (CIPA) which involved violations of the fraud, narcotics, arms export, espionage and other federal criminal statutes. The Unit is consulted in any case in which there is a possibility that classified information will be disclosed in litigation, and furnishes legal advice concerning all aspects of CIPA to components of the Executive Branch. Also, the Unit prepares the Attorney General's semiannual reports to Congress on cases declined for reasons of national security, as required under the Act.

Program Changes: The Criminal Division is requesting increases for the Internal Security Section amounting to $10,000 for overtime and incentive awards, $13,000 for employee relocation expenses, $17,000 for travel expenses and $37,000 for automated litigation support. The increase in overtime and award funds will bolster the sagging morale of the Section's support staff. The relocation funds will assist in the recruitment of experienced federal prosecutors who are asked to transfer to the Washington, D.C. location of the Internal Security Section. The travel money will enable the Section to intervene in criminal prosecutions in all instances when the U.S. Attorney does not possess sufficient staff or specialized expertise, when an investigation has been coordinated exclusively by the Division and referring the prosecution to the U.S. Attorney would be impractical because of the complexity of the case, or when a prosecution requires intervention by national authorities in order to coordinate aspects of the case that extend beyond a single judicial district. Finally, the increase for automated litigation support will enable the Section to apply appropriate technology to indexing and analyzing transcripts and other documents that are essential to preparation of grand jury and courtroom presentations.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
General litigation and legal advice.....	52	50	$3,525	52	50	$3,717	56	52	$4,175	4	3	$458

Long-Range Goal: To achieve directly, or through assistance to the U.S. Attorneys, the prompt disposition of all matters within the five major law enforcement responsibilities of the program, and to improve the efficiency and effectiveness of Federal, State and local criminal law enforcement efforts through the encouragement of improved intergovernmental coordination and cooperation.

Major Objectives:

To develop and implement enforcement programs in certain key statutory areas where special requirements indicate the need for centralization.

To develop and prosecute major cases under a vast range of statutes, when appropriate, due to recusal, lack of resources or pertinent expertise in U.S. Attorneys' offices.

To defend civil suits seeking to obtain information or to interfere with criminal justice activities and national security operations.

To provide support to the U.S. Attorneys in the conduct of all other litigation within the program's subject areas.

To coordinate and participate in crime resistance programs related to the program's statutory responsibilities, including the encouragement of voluntary involvement by corporations and individuals in the private sector in crime resistance efforts.

To provide legal and policy advice to the Assistant Attorney General, Associate Attorney General, Deputy Attorney General, and Attorney General, as well as other components of the Department, on issues of major importance to the Department.

Base Program Description: The five major substantive areas addressed by the General Litigation and Legal Advice Section include: (1) crimes against government operations - attacks on designated Federal officials, including the President, Vice-President, Members of Congress, cabinet officers, Supreme Court Justices, candidates for Federal office, foreign officials and official guests of the United States, depredations of mail and government property, counterfeiting, customs violations, obstruction of justice, perjury, escape and prison offenses, and Selective Service violations; (2) crimes against the public - aircraft and maritime piracy, kidnapping, extortion, bombing, bank robbery, theft from interstate shipment and interstate trafficking in stolen vehicles, securities and other property, illegal electronic surveillance, obscenity, copyright and firearms violations, crimes involving the recently enacted false identification and tampering with consumer products statutes, and crimes in the special jurisdiction of the United States; (3) regulatory enforcement - protection of safety, health and consumer interests in mining and other occupations, handling nuclear materials, marketing of agricultural products, and disposition of hazardous and toxic wastes; (4) special civil matters - defense of civil actions to obtain information on or to interfere with criminal justice and national security operations; and, (5) prison/parole matters - defense of suits challenging the legality of Federal sentences, probation and parole actions, conditions of confinement, prisoner transfer within, and from foreign custody to, the United States, and treatment of mentally incompetent prisoners. Approximately 75 percent of all Federal criminal statutes are assigned to the program, including many violent crimes and most Federal "street" crimes. In priority or sensitive criminal areas, the program serves as an enforcement entity, prosecuting and assisting in the prosecution of cases, and coordinating the various U.S. Attorneys' offices and investigative agencies. When a matter is likely to merit prosecution by Section attorneys, the agencies immediately advise the Section of the initiation of an investigation, thus affording the opportunity for Section attorneys to provide guidance on crucial aspects of the investigation. In a more general way, the Section supports litigation by drafting or commenting on proposed legislation. Legislation can overcome the long-run effects of an adverse decision and usually has an effect on both the scope and nature of future litigation. To conserve Federal litigation resources, Section attorneys also interact with the private sector, e.g., industry and labor, and Federal and non-Federal enforcement agencies, regarding adoption of crime resistance measures.

Accomplishments and Workload: The recent experience and projections for the future with regard to litigation for which the General Litigation and Legal Advice Section is directly responsible are summarized quantitatively in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Matters:				
Pending, beginning of year	24	27	22	22
Opened	6	13	15	20
Closed	3	18	15	17
Pending, end of year	27	22	22	25

Cases (lead prosecutions):				
Pending, beginning of year	8	10	12	12
Opened	4	12	10	10
Closed	2	10	10	14
Pending, end of year	10	12	12	16
Disposition of defendants in cases litigated:				
Convictions	8	7	15	20
Acquittals/dismissals	2	2	...	...
Other dispositions	...	2	...	...

The current primary enforcement initiatives of the General Litigation and Legal Advice Section involve terrorism, pornography, intellectual property and nuclear safety.

--Terrorism. The Section is combatting terrorism through exhaustive investigation and vigorous prosecution of persons responsible for terrorist acts. To upgrade its response to terrorism, the Department created within the Section a Counter-Terrorism Management Group, headed by a senior attorney experienced in terrorism prosecutions.

Investigations currently pending in the Section include, among others: 1) the hijacking of TWA Flight 847 by Shiite terrorists, 2) the hijacking of the Achille Lauro on the high seas, 3) the hijacking of Egyptair Flight 648, flying from Athens en route to Cairo, and diverting it to Malta, 4) the taking and detention of American hostages in Beirut, Lebanon, 5) the bombing of TWA 840 over Athens, en route to Athens from Rome, 6) the kidnapping by the Popular Liberation Army of five employees of various companies constructing an oil pipeline in Columbia, 7) the kidnapping of an American missionary and 10 Carmelite nuns in the Philippines by Moslem warlords and bandits, 8) the bombing of a Pan Am Airlines jet, en route to Honolulu, Hawaii, and 9) assisting in the matter of 16 defendants who are charged with the robbery of $6,956,520 from a Wells Fargo facility. The defendants include many leaders of violent Puerto Rican independence groups.

--Pornography. The Section continued to assist United States Attorneys in implementing the Department's aggressive enforcement efforts in child pornography. During the first eleven months of FY 1986, 175 individuals involved with this material have been indicted and 83 have been convicted. One defendant, Marvyn Harold Cross, was sentenced to 95 years' imprisonment based upon his conviction for violations stemming from a scheme he devised which would have involved numerous children in the production of sexually explicit films and photographs. Significant sentences were achieved in other cases as well, including two defendants in unrelated cases who were each sentenced to 20 years' imprisonment.

In connection with the Department's international effort to stem the importation of child pornography, the Section designed a multi-agency working group to review imported and forfeited obscene material to develop information on producers of child pornography and furnish it to appropriate officials in the exporting countries. The working group, which includes Postal Inspection Service, FBI, Customs Service and Criminal Division personnel, has been in place for several months.

The Section has initiated a major new enforcement effort in the obscenity (adult pornography) area and prepared legislative reports and testimony on legislation dealing with cable pornography, obscene telephone messages, the use of computers in pornography, and the interstate exchange of advertisements for child pornography and child sexual abuse.

--Intellectual Property. The Section continues its efforts to protect intellectual property through the enforcement of criminal law, particularly in the fields of copyright and trademark. The increasing use of counterfeit trademarks in domestic and foreign commerce was recently evidenced by enactment of the counterfeit trademark statute, 18 U.S.C. 2320, and by the Report accompanying the appropriations bill for the Department, in which the Senate Committee on Appropriations indicated its increasing concern about the rise in imports of goods that violate American copyright and trademark laws. For example, Aaroni Jacob Shinyder recently pled guilty to the manufacture and distribution of hair care products bearing counterfeit Nexxus trademarks. Shinyder was sentenced to five years' imprisonment. The Section has also participated in the investigation of a case involving the manufacture, importation, and distribution of counterfeit birth control pills (Ovulen 21).

--Nuclear Safety. The Section reviews all Nuclear Regulatory Commission (NRC) referrals of criminal investigations. During the last year, they successfully prosecuted a company and an individual for violations of NRC regulations in connection with the conduct of the business of radiography. Several cases involving the industrial use of radioactive materials as well as the operation of nuclear power plants are now being reviewed or investigated by Section staff. Two corporations and an individual were indicted for the operation of the D.C. Cook Nuclear Plant in Bridgman, Michigan, in violation of NRC fire protection regulations.

One of the Section's other major roles is to develop and prosecute major cases, when appropriate, due to recusal, lack of resources or pertinent expertise in U.S. Attorneys' Offices. The nature of the Section's activities in this area is best illustrated by some of the investigations and cases below.

Two Section attorneys are working extensively with the FBI and DEA concerning the assassination of DEA Agent Enrique Camarena-Salazar who was kidnapped, tortured, and murdered in Mexico. The Section also has the lead role in investigating the August 13, 1986 abduction and assault by Jalisco State Police officers in Mexico of DEA Agent Victor Cortez.

Robert Brodhead, Athletic Director of Louisiana State University, pled guilty to a conspiracy to intercept a radio communication. The plea resulted from Brodhead's endeavoring to intercept communications between National Collegiate Athletic Association investigators and Louisiana State University athletes concerning possible recruiting violations of the University.

Section attorneys are currently preparing for trial in a case involving nine people in the District of Columbia charged with 22 violations of conspiracy, obstruction of justice, false statements, and perjury. The defendants are present and former officials and residents of the Synanon Foundation, Inc., later known as the Synanon Church.

In addition, the Section defends civil suits seeking to obtain information or to interfere with criminal justice activities and national security operations.

Currently, the Section is defending a class action suit of national importance which seeks injunctive relief and monetary damages against nine Parole Commissioners. It is also defending the coram nobis actions filed in three separate districts by American citizens of Japanese Ancestry. These actions seek to overturn the 1942 convictions of these individuals for minor crimes which they committed while they were under the World War II Japanese internment program. Further, the Section successfully defended the Secretary of the Treasury in denying Secret Service protection to Lyndon H. LaRouche who asserted that he was a major candidate campaigning for the 1984 nomination of the Democratic Party.

The Section regularly provides support to the U.S. Attorneys in the conduct of litigation. For example, the Section has been involved in efforts to structure the Selective Service nonregistrant enforcement program. The Section has assisted the various offices by handling the selection of targets, providing appropriate memoranda of law, playing the primary role in the processing of pretrial discovery requests, and, as needed, handling resulting appeals. The incidents of nonregistration has declined. The Section is also directing its efforts at suspected nonregistrants who made false statements concerning Selective Service compliance to obtain federal student loans.

Program Changes: The Criminal Division requests an increase of 4 positions and $458,000 to assist in responding to the increase in terrorist related matters and to take appropriate advantage of the recent increase in prosecutorial jurisdiction permitting the prosecution in the United States of overseas terrorist acts.

The dramatic increase in terrorist incidents directed at American business, military and civilian interests has aroused public concern in the United States and the Reagan Administration has attempted to respond with a multifaceted program. Since the hijacking of TWA 847 in June 1985, the Criminal Division has provided the Department's crisis management response to all major international terrorist incidents over which the United States has jurisdiction. One of the first actions of the FBI in response to an extraterritorial act of international terrorism is to contact a Division attorney for an assessment of the United States' jurisdiction over the incident. Indeed, the first log entry in the FBI's Command Center records regarding the recent bombing of TWA 840 is a telephone call to the home of a Division attorney. That attorney provided an oral response to the inquiry concerning jurisdiction and provided a written response (with statutory citations) within hours of the telephone inquiry. In addition to responding to immediate crises, the Criminal Division is responsible for the formulation and implementation of policies with regard to a wide range of criminal statutes relative to terrorism including the Hostage Taking provisions of the Comprehensive Crime Control Act of 1984, P.L. 98-473. This law permits the prosecution, under certain circumstances, of offenses occurring outside of the United States and, accordingly, the enforcement of this statute is fraught with many sensitive policy issues.

The additional resources included in this request are required to provide legal advice to representatives and policymakers responsible for responding to international terrorist incidents. The additional staff will assist in obtaining evidence from foreign jurisdictions, convening grand juries and instituting criminal prosecutions against terrorist offenders. In addition, they will assist in the establishment and maintenance of regular communications links with other government agencies, including the FBI, CIA, NSA, and State Department, to ensure that the Department of Justice is fully and promptly informed regarding terrorist related matters. The additional staff will also be responsible for preparing contingency plans for dealing with terrorists in various foreign jurisdictions. These plans will be used to govern negotiations with foreign authorities and assist in bringing the terrorist incident to a favorable conclusion. Finally, the Criminal Division will produce training courses and instructional materials for government prosecutors who may be called upon to prosecute terrorist related cases; it will collect information on trends and recent developments in terrorism cases; it will furnish advice to the Congress on any new legislation concerning this issue; and, it will coordinate and oversee any multidistrict terrorism cases that may arise.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Office of special investigations.	47	47	$3,377	47	47	$3,547	47	47	$3,547	...	...	...

Long Range Goal: To denaturalize and deport individuals who concealed activity committed during World War II involving the persecution of others because of race, religion, national origin, or political opinion, in order to gain entrance to the United States.

Major Objectives:

To identify all alleged Nazi war criminals living in the United States.

To review and investigate systematically all relevant allegations received by the program.

To prosecute appropriate cases.

To develop and maintain working relationships with foreign governments having information relating to the activities of suspected Nazi war criminals.

Base Program Description: This program detects, identifies, investigates, and, where appropriate, takes legal action to denaturalize and/or deport any individual who: (1) assisted the Nazis by persecuting any person because of race, religion, national origin or political opinion, and (2) later was admitted as an alien into, or became a naturalized citizen of, the United States. The activities of this program include historical research, file review, investigations, witness interviews in the U.S. and abroad, litigation support, and denaturalization/deportation litigation before administrative bodies and U.S. courts. There are four major phases of work: (1) identification, consisting of matching a name of a United States resident to an allegation or suspicion of war crimes, and opening an Office of Special Investigation (OSI) file on that person; (2) investigation of suspects; (3) filing litigation; and, (4) appeals of judgments or other final orders. Four types of litigative action may be conducted: (1) if the subject is a naturalized citizen, a civil complaint may be filed in the U.S. District Court seeking a judgment of denaturalization; (2) for resident aliens (including denaturalized citizens), administrative proceedings are brought to seek their deportation; (3) criminal indictments may be pursued in cases which involve perjury (18 U.S.C. 1001) or other crimes within the statute of limitations; and (4) extradition. The litigation phase begins when the Complaint/Order to Show Cause/Indictment is filed; it ends with the judgment or the final order, and that is the basis for appeal.

Accomplishments and Workload: The recent experience and projections for the future of the Office of Special Investigations is summarized quantitatively in the following table:

Item	1985	1986	Estimates 1987	1988
Investigative Matters:				
Pending, beginning of year	308	424	437	467
Opened	154	72	50	50
Closed	38	59	80	80
Pending, end of year	424	437	467	497
Cases:				
Pending, beginning of year	27	27	28	28
Opened	4	7	10	10
Closed	4	6	10	10
Pending, end of year	27	28	28	28

Some of the specific accomplishments of the Office of Special Investigations during 1985 include the following:

- Completion of an extensive investigation and report of the connection between Robert Verbelen, an accused Nazi war criminal living in Vienna, and the United States occupation and intelligence forces during the close of World War II. The investigation involved two years of Archival research in the United States and abroad and numerous interviews with key participants.

- Completion of a special report to the Attorney General on the notorious war criminal Josef Mengele. The report is a result of 18 months of investigation and historical research, and it documents Mengele's career from the time he disappeared from sight in 1945 until death in 1979.

- John Demjanjuk was extradited to Israel in February 1986. This ended almost ten years of litigation by the Government, during which time Demjanjuk was denaturalized and then ordered deported.

- Andrija Artukovic was extradited to Yugoslavia in February 1986. He was tried and convicted this year in Yugoslavia for war crimes stemming from his cabinet level position in the Nazi puppet State of Croatia, in which position he was instrumental in the policy of persecution and genocide.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Prosecution Support	115	115	$6,476	125	119	$7,166	136	127	$7,814	11	8	$648

Long-Range Goal: To provide the legal assistance and central coordination necessary to maximize the effectiveness of Federal criminal law enforcement.

Major Objectives:

To promote the negotiation of treaties with foreign governments that will improve the ability of the United States to extradite fugitives, to acquire evidence, to transfer prisoners, and to accomplish other purposes which will aid the criminal justice system in the United States.

To assist Federal and state authorities in obtaining fugitives, evidence and legal assistance from foreign governments.

To represent, or supervise the legal representation of, foreign governments' extradition and evidence requests in U.S. courts.

To monitor the execution of Prisoner Transfer treaties so as to minimize any delay in transferring prisoners eligible for transfer to their countries of nationality.

To provide effective and reliable service to Federal prosecuting attorneys in the implementation of the statutes and regulations that affect them.

To maintain a usable and used legal brief and policy memoranda bank and to integrate into the legal brief bank the briefs in opposition to petitions for writs of certiorari and the Solicitor General appeal memoranda that are generated by the Division annually.

To maintain an up-to-date U.S. Attorneys' Manual and have Criminal Division updates prepared on a regular basis so that all portions of the Division's contribution to the Manual will remain current and informative.

To coordinate responses to (Freedom of Information Act and Privacy Act) requests pertaining to the Criminal Division.

To review requests for authorization of electronic surveillance and recommend authorization or disapproval of requests pursuant to 18 U.S.C. 2518 in an expeditious manner.

To perform the appropriate review of witness relocation requests and deal with the myriad matters associated with the Witness Security Program.

To litigate and assist U.S. Attorneys' Offices in litigating forfeiture cases where:
(a) major cases arise in districts in which the U.S. Attorney's Office lacks the expertise or personnel to conduct the cases effectively.
(b) backlogs of forfeiture cases arise because of other demands on U.S. Attorneys' Offices.

To advise and train investigative agents and Assistant U.S. Attorneys to make greater use of forfeiture provisions and better manage seized and forfeited assets.

To process and resolve petitions for remission and mitigation in judicial forfeiture cases.

To support directly the U.S. Marshals Service and investigative agencies in improving the management of seized and forfeited property.

To review all settlements in forfeiture cases in which the difference between the gross amount of the original forfeiture claim exceeds $60,000 but is less than $750,000.

To encourage coordination with state and local authorities on forfeiture matters.

To provide legal advice and assistance to United States Attorney Offices regarding the collection of criminal fines and appearance bond forfeiture judgments.

To establish, coordinate, and maintain an "accounts receivable" system for criminal fines and appearance bond forfeiture judgments obtained by the Criminal Division.

Base Program Description: This program seeks, through the Division's Office of International Affairs (OIA), to centralize, coordinate and execute the Department's responsibilities concerning international legal matters related to criminal law enforcement in the areas of extradition, international legal assistance and prisoner transfers. The handling of treaty negotiations and implementation, international legal assistance and prisoner transfer requires effective liaison between OIA and numerous foreign and domestic entities, including the Department of State, foreign governments and INTERPOL. To assure that extradition requests submitted by the United States meet the requirements of the relevant extradition treaties, OIA advises federal and state prosecutors on the preparation of all United States extradition requests, and screens such requests before submission. To promote the reciprocal representation by foreign governments of United States extradition requests, OIA either directly represents, or supervises the representation of, foreign extradition requests before United States courts. Included among cases handled by OIA are some of the most important narcotics trafficking, fraud, and violent crime cases prosecuted in this country and abroad. Similarly, to assure that requests submitted by the United States seeking evidence from foreign countries under mutual assistance treaties in criminal matters meet the requirements of the applicable treaty, OIA, acting as the United States Central Authority under the treaties, advises federal and state prosecutors on the preparation of all such requests, and screens or redrafts them prior to transmittal. When, because of the lack of a mutual assistance treaty, such requests must be made by letters rogatory, OIA performs essentially the same role in processing them as well. To promote the reciprocal representation by foreign governments of United States evidence assistance requests, OIA either directly represents, or supervises the representation of, foreign evidence assistance requests before United States courts. As with extradition, such evidence requests are generally related to some of the most important investigations and prosecutions in this country, e.g., investigations of the international laundering of vast profits of major narcotics trafficking organizations. OIA has also been instrumental in obtaining the execution of search warrants in foreign countries in connection with the unlawful export of advanced technology goods, such as computers which could be used in weapons guidance systems. This program also is responsible for the implementation of the prisoner transfer treaties to which the United States is party. During 1985 and 1986, new prisoner transfer treaties are expected to enter into force with approximately seventeen countries, thereby quadrupling the number of such treaties in force and greatly increasing the problems attendant to their smooth implementation.

Through the Office of Enforcement Operations (OEO), the Criminal Division regulates the effective and appropriate use of sensitive investigative techniques such as wiretaps, consensual monitoring and witness relocations through the application of uniform procedural guidelines by specially trained attorneys and paralegals. These individuals maintain effective liaison with the U.S. Attorneys offices, Organized Crime Strike Forces, U.S. Marshals Service, the Federal Prison System, the Federal Bureau of Investigation, and all other applicable Federal, state and local investigative agencies. The Office of Enforcement Operations possesses full responsibility to review and approve or disapprove requests from U.S. Attorneys, investigative agencies, and Congressional committees to place individuals believed to be endangered by organized crime figures in the Witness Security Program. It is responsible for coordination among government prosecutors, investigative agencies, and U.S. Marshals Service personnel, the conduct of cases requiring witness protection, and participation in litigation arising out of the program, in cases where the United States is named as a party by virtue of any action taken or not taken with respect to the program. (Title V of Public Law 91-452, codified as a headnote preceding Title 18, United States Code, Section 3481).

The Office of Enforcement Operations is responsible for the review, adjudication, and coordination of all applications for electronic surveillance under Title III of P.L. 90-351, codified in Title 18, United States Code, Section 2510-2520, and is solely responsible for the final recommendation to be made directly to the Assistant Attorney General. It participates in and, as required, conducts litigation arising from the grant of an application for electronic surveillance, and is responsible for performing ongoing analysis, review, and in-depth evaluations of the implementation of 18 U.S.C. 2516. The Office also receives and processes all requests received from U.S. Attorney Offices and Organized Crime Strike Forces for witness immunity pursuant to 18 U.S.C. 6001 et seq.; OEO makes the final recommendation to the Assistant Attorney General for approval or rejection of such requests. In addition, OEO provides the various components of the Division and the U.S. Attorneys' offices with a wide range of litigative assistance and prosecutorial support, including the following: processing requests for witness hypnosis in the federal judicial system; processing requests for consensual surveillance in selected cases in sensitive areas; processing requests for disclosure of tax returns, taxpayer information and return information pursuant to the Tax Disclosure Act of 1976, as amended; processing Freedom of Information Act and Privacy Act requests; responding to allegations of illegal electronic surveillance; processing requests for authorization to subpoena a member of the news media; processing requests for authorization to seek closure of any part of a criminal proceeding; coordinating responses to subpoenas and court orders directed to the Department; processing requests for permission to seek issuance of a search warrant for documentary material in the possession of a disinterested third party; updating the Criminal Division's portion of the United States Attorneys' Manual; maintaining the legislative files and records of the Division; maintaining the Legal Reference Unit, a legal brief and policy memorandum bank for use by Division attorneys and paralegals; responding to citizen mail on criminal matters by the Correspondence Unit; and preparing the Division's monthly and annual reports to the Attorney General. The provision to these services is accomplished through close liaison between OEO and litigating components of the Criminal Division, and the United States Attorneys' offices.

The final aspect of this program is provided by the Asset Forfeiture Office created in June 1983 through a reorganization of the Criminal Division. The responsibilities of this Office include the conduct of civil and criminal asset forfeiture litigation, the development of policies which incorporate asset forfeiture into an overall law enforcement program and the improvement of existing practices regarding the management of seized and forfeited assets. Forfeitures are an important part of law enforcement, because forfeitures allow the government to take property away from criminals which, in turn, deters crime and promotes justice. Forfeitures deter crime because the government can take away the property that lawbreakers use to commit crimes, e.g., the airplanes and boats they use to smuggle narcotics into the country and the cash they use to buy drugs for resale. By removing this working capital from criminals, forfeitures make it more difficult for lawbreakers to operate. By seizing the fruits of crime, e.g., the stocks and bonds purchased with money traceable to drug sales, or a business acquired by a pattern of racketeering activity, forfeitures further deter lawbreaking by taking the profit out of crime. Forfeiting criminal profits also promotes justice, because criminals should not grow rich from their violations. Fines are also an important part of the penalty structure of federal criminal law. The imposition of a fine, however, serves no punitive or deterrent purpose if it goes unpaid. The Collection Unit within the Asset Forfeiture Office, therefore, assists the various components of the Division and the U.S. Attorneys' Offices by overseeing and assisting in the collection of criminal fines, criminal penalties, appearance bond forfeiture judgments, and criminal court costs.

Accomplishments and Workload: A quantitative summary of the prosecution support workload is presented in the following table:

Item	1985	1986	Estimates 1987	1988
Foreign Extradition Requests Received	179	127	205	230
U.S. Extradition Requests Transmitted	310	221	290	340
Foreign Legal Assistance Requests Received	119	128	150	165
U.S. Legal Assistance Requests Transmitted	227	250	375	500
Witness Immunities Issued	5,146	5,533	6,200	6,200
FOI/PA Requests Received	1,575	1,600	1,650	1,650
Title III Applications Reviewed	525	535	600	600
Consensual Wiretap Applications Reviewed	1,167	1,252	1,300	1,300
Witnesses Accepted in Protection Program	154	180	200	200
Forfeiture Cases:				
Pending, start of year	7	60	60	60
Opened	85	38	50	50
Closed	32	38	50	50
Pending, end of year	60	60	60	60
Petitions for Remission/Mitigation Reviewed	350	398	400	400
Offers in Compromise Reviewed	36	40	40	40

During 1986, the Office of International Affairs continued with its program of negotiating new treaties, primarily extradition and mutual legal assistance treaties. The negotiation program resulted in one new treaty in force (a mutual legal assistance treaty with Italy), and the signing of three new treaties (mutual legal assistance treaties with Thailand and the Cayman Islands and a supplemental extradition treaty with the United Kingdom). The year was also marked by the extradition from the United States of a number of notorious figures, including the extradition to Italy of Francesco Pazienza (reputedly a major fraud artist and extortionist who was infamous in Italy after his success in insinuating himself into high levels of the Italian government, the extradition to Yugoslavia of Andrija Artukovic and to Israel of Ivan Demjanjuk (both named as major Nazi war criminals), and the extradition to Mexico of Arturo Durazo Moreno (the Chief of Police in Mexico City during the Lopez-Portillo administration who is accused of running a major portion of the organized crime in Mexico at the time). The Office was also successful in obtaining the return from abroad of a large number of fugitives, including dozens of major federal fugitives charged with drug offenses and a large number of state fugitives including the extradition of Catherine Evelyn Smith from Canada who since her return has pleaded guilty in California to the felony murder of entertainer John Belushi.

During 1986, some 5350 electronic surveillance authorizations were processed to approval by the Office of Enforcement Operations. A survey indicates that over 95 percent of targeted interceptees indicted were convicted. The Office revised portions of the United States Attorneys' Manual to reflect new procedures mandated by the Witness Security Reform Act of 1984 and assumed responsibility for the Victims Compensation Fund. The Office completed action on 1,258 Freedom of Information Act (FOIA) and Privacy Act (PA) requests, secured a dismissal with prejudice of an FOIA suit involving over 1,000,000 records, assumed responsibility for staffing requests for authorization to seek an order permitting disclosure of Federal grand jury records to state law enforcement authorities, and continued to provide significant support to Division attorneys.

Some of the most significant accomplishments of the Asset Forfeiture Office in 1986 included provision assistance in the criminal forfeiture of a two-thirds interest in the Thornapple Creek Golf Course in the Western District of Michigan. The Golf Course was purchased with the proceeds of unlawful drug activities and is currently being operated at a profit by the United States Marshals Service. In addition, the Office is involved in the civil prosecution of eleven properties and over $10,000,000 related to "Operation Cash Crop" investigated by the Gulf Coast Organized Crime Drug Enforcement Task Force. The cases involve the forfeiture of narcotics related assets which were part of the Quintero-Gracia Mexican based drug cartel. The Office is also civilly prosecuting over $1.5 million worth of real and personal property relating to the illegal drug profits of Danny Constantine White in the District of Maryland.

The Office is preparing a revision of the United States Attorneys' Manual which will include procedures for the collection of fines under the Criminal Fine Enforcement Act.

Program Changes: The Criminal Division requests an increase of 11 positions and $648,000 to augment its ability to provide advice and assistance to prosecutors in the United States in matters requiring coordination with foreign governments.

In recent years the Department of Justice has applied substantial resources to the negotiation of several new Mutual Legal Assistance Treaties. Through these treaties U.S. prosecutors (local, state and Federal) can obtain evidence residing in a foreign jurisdiction. For each request, however, the U.S. government must submit a detailed request including an explanation of the facts of the case and the statutes under which the investigation is being coordinated, together with an explanation of how the evidence is to be used and the procedures to be followed in the other country to assure its admissibility in U.S. courts. Each request requires extensive coordination with U.S. prosecutors and investigators as well as with foreign authorities. Recent treaties that have been concluded with Canada, the Caymans, the Bahamas and Jamaica are expected to be particularly valuable to U.S. prosecutors. The Criminal Division expects that the number of requests for foreign local assistance will double from 250 requests forwarded to foreign jurisdictions in 1986 to 500 requests in 1988. In order to provide some capacity to absorb this workload increase, the Division is seeking an increase of five attorney positions and six support positions, and $648,000.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Organized Crime drug enforcement.....	6	6	$596	6	6	$632	6	6	$632	...	...	...

Long-Range Goal: To support the Drug Task Forces in investigating and prosecuting violations of Federal criminal laws that prohibit the importation, distribution, sale and use of harmful drugs.

Major Objectives:

To furnish assistance requested by Drug Task Force prosecutors to the full extent possible within the terms of applicable statutes, Departmental policies and procedures, caselaw, international conventions and bilateral treaties.

To provide regular communications and instruction to Drug Task Force prosecutors so as to improve their efficiency and their effectiveness.

To participate in the litigation of certain Drug Task Force cases for which Division personnel have developed special expertise.

Base Program Description: The Administration's law enforcement initiative against organized drug traffickers has increased the demands on the Criminal Division to provide certain types of prosecutorial assistance and to participate directly in the development of particular cases. For example, many Drug Task Force investigations depend upon electronic surveillance to obtain evidence on the activities of wrongdoers. By law (18 USC 2516), all electronic surveillance must be authorized by the Attorney General or a designated Assistant Attorney General. Before authorization, each application is reviewed by Division personnel, and a recommendation is made to the Assistant Attorney General. Then, following authorization of either a wiretap or the wireless interception of communication, reports must be collected and reviewed on the fruits of the surveillance. In addition to employing electronic surveillance techniques, many Drug Task Force prosecutions rely on witnesses whose personal safety is endangered by criminal elements. A prosecutor seeking to arrange for the protection of a witness -- e.g., by providing guards, by relocating the witness out of the danger area, by securing a new identity for the witness, etc -- must submit a request to the Division for review as to the qualification of the witness for the program and a determination as to the level of protection to be afforded to the witness.

The Division has also experienced an increase in the number of extradition requests and requests for mutual legal assistance to and from foreign countries as a result of the Drug Task Force investigations. The initiative against drug traffickers has also spurred interest in the increased use of asset forfeiture provisions of existing statutes against drug dealers. Denying criminals the means of production can sometimes be a more effective deterrent to crime than punishment by imprisonment or fine. Finally, the Division often must lend direct assistance to the development of major investigations involving peculiar legal theories or the organization of extensive evidence in a manner designed by the Division, such as in financial investigations of trafficking organizations as demonstrated by the Operation Greenback initiatives.

Accomplishments and Workload: A quantative summary of the work of the Criminal Division in support of the Drug Task Forces follows:

Item	1985	1986	Estimates 1987	Estimates 1988
Electronic surveillance applications reviewed	33	58	65	65
Witness protection measures authorized	44	62	50	50
Extradition requests transmitted	54	73	75	75
Judicial assistance requests submitted	36	47	50	50

	1987 as Enacted			1988 Base			1988 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Management and administration	83	84	$4,571	83	84	$5,067	83	84	$5,067	...	...	...

Long-Range Goal: To guide the administration of federal criminal justice in an effective, fair and consistent manner.

Major Objectives:

To supervise the development and implementation of Department policy so as to assure an effective, fair and consistent administration of Federal criminal laws.

To establish priorities and to provide general supervision of national enforcement of Federal laws.

To develop and implement policies relating to the efficient administration of the Division.

To provide administrative services necessary to the operations of the Division.

To analyze all legislative proposals developed within the Congress and the Administration which affect either the substance or procedure of the Federal criminal justice system, and to furnish advice, as appropriate, on the probable effect of such proposals on Federal law enforcement.

To analyze policy issues relating to enforcement programs that the Criminal Division oversees in order to identify and resolve problems in the operations of those programs.

To analyze issues relating to the Division's management systems, policies, and procedures and develop needed improvements.

To assist in coordinating Division policies, enforcement programs, and the exchange of information with other components of the law enforcement system, including operating agencies and research institutions.

Base Program Description: The Office of the Assistant Attorney General carries out its policy making, supervisory and liaison functions through the Assistant Attorney General, four Deputy Assistant Attorneys General, a Special Counsel, four Senior Counsel and support staff. Included in the Office of the Assistant Attorney General is the Office of Law Enforcement Coordination which is assigned responsibility for staffing the Executive Working Group for Federal-State-Local Prosecutorial Relations, for reviewing Federal district law enforcement plans, for managing the Division's program to abolish concurrent jurisdiction enforcement lapses, for supporting the Division's Crime Prevention Committee, for overseeing the Division's involvement in regional Law Enforcement Coordinating Committees, and for staffing other intergovernmental law enforcement management initiatives which were previously fragmented among several Division offices.

Administrative services are provided by the Office of Administration. Six operational units work closely with other organizational entities of the Criminal Division, the Department and other Federal agencies, to ensure that the Division's administrative services are provided in an efficient, timely, and cost-effective manner: the Office of the Director; the Personnel Unit; the Fiscal Unit; the Mail, Records and File Unit; the Procurement, Space and Security Unit; and, the Management Information Systems staff. This last unit was established in 1984 to develop and install top priority automated data processing systems for caseload management information and correspondence tracking, and to provide selected ADP applications in support of investigations and litigation. The Office of Legislation draws upon expertise spanning the breadth of criminal

law, as well as familiarity with congressional organization, rules, and procedures to conduct the Division's relationship with the legislative branch. Close liaison is maintained with, among others, Members of Congress and their personal and committee staffs, the Department's Office of Legislative and Intergovernmental Affairs, the Office of the Associate Attorney General, officials of the Department and the Division, the Attorney General's Advisory Committee of U.S. Attorneys and representatives of Federal investigative agencies.

The Office of Policy and Management Analysis provides the Division with the analytical capabilities needed to perform program development, policy analysis, and management improvement functions. The Office advises the Assistant Attorney General on developing priorities for the Division, the Department, and Federal law enforcement generally. Most of the Office's projects are joint efforts with personnel from other units, such as the Division's other sections and offices, the Department's other legal divisions, the United States Attorneys, the investigative agencies, and the Inspectors General. The Office's professional staff includes analysts with expertise in public policy, business administration, criminology, economics, organizational behavior, program evaluation, information systems, statistical methods, and related areas. Each staff member is assigned to work primarily in one of the following areas: organized crime, fraud and corruption, narcotics, law enforcement coordination, or general management improvement.

Accomplishments and Workload: The Office of the Assistant Attorney General continues to provide the Federal criminal justice system with national leadership, centralized coordination and effective direction. The role of the Assistant Attorney General manifests itself mainly in communications imparted to other governmental entities and, by extension, to the public. The legislative proposals transmitted to the Congress represent the best judgment of the Criminal Division as to the changes which are needed to improve the criminal justice system. The arguments formulated for presentation to the Supreme Court and courts of appeal reflect the considered experience of the Division as to the constitutional and statutory interpretations which will best support the enforcement of Federal laws in the long run. And finally, communications delivered to other law enforcement executives, Federal and non-Federal, in speeches, meetings, and correspondence serve to focus attention on the most pressing problems facing the criminal justice system and the means available to law enforcement executives to address those problems.

Within the last year, the Office of Administration has initiated several management improvements that will facilitate the organizational functions of the Criminal Division: 1) Developed and implemented the automated systems which record and track the status of cases and matters, immunity requests, seized assets, Department files, gambling registration, and Freedom of Information Act requests. 2) Intensified efforts to reduce the quantity of internally stored files and records which resulted in nearly fifty percent of such records being disposed of. 3) Completed a major office automation request with the Tax Division and the U.S. Attorneys which would allow multi-purpose terminals at individual work stations, as opposed to the current system which consists of six different types of work stations. 4) Devoted substantial time and resources to the relocation of employees from the Federal Triangle, Dominion Bank and Hamilton Buildings to the Bond Building. This relocation will reduce the number of buildings occupied by the Criminal Division in the Washington, D.C. area to two. The new office space will provide much needed improvements in security, file and storage areas, library and Computer Room working conditions. The move is scheduled to begin in December 1986.

During 1986, The Office of Legislation had lead responsibility for a major bill containing numerous technical amendments to substantive and procedural provisions in the criminal code made necessary by the passage of the Comprehensive Crime Control Act of 1984. The Office drafted the technical amendments bill and the Senate passed many of its provisions in S. 1236. The Office drafted and continued to work on several bills relating to narcotics. It prepared a series of bills to provide increased penalties for drug traffickers, including lengthy mandatory sentences for manufacturers and distributors of illegal drugs that cause the death of another person and the death penalty for kingpins of especially large drug trafficking rings. A bill was drafted by the Office to provide criminal penalties for controlled substance analogs, i.e. "designer drugs" which have the same, or worse, effect as more common substances like heroin but which have a slightly different chemical composit[illegible]. The Office

continued to work for passage of key provisions of the money laundering bill which it drafted in 1985. The House Banking and Judiciary Committees have reported out money laundering bills containing several of the provisions in the Administration's bill. The Office drafted a comprehensive bill to establish a Commission to regulate high stakes gambling on Indian reservations. Gambling is a multi-million dollar enterprise on some reservations but courts have ruled it cannot be subjected to state laws and it is being conducted with only tribal supervision. The submission of the bill, S. 2557, represented the culmination of months of coordination with the Interior Department. The Office continued its work in regard to the passage of death penalty legislation. Testimony for the House Judiciary Committee was prepared and the Office continued its close working relationship with the Senate Judiciary Committee staff on this issue, resulting in the Committee's reporting out a death penalty bill, S. 239.

During 1986, the Office of Policy and Management Analysis evaluated the first year of the Department's program for sharing federally forfeited property with state and local law enforcement agencies, provided ongoing analytic support to the Subcommittee on Asset Forfeiture, and drafted administrative procedures for handling sharing requests. The Office also analyzed options and offered recommendations for international asset forfeiture.

In conjunction with the Narcotic and Dangerous Drug Section and the Drug Enforcement Administration (DEA), the Office examined ways to expedite the destruction of massive quantities of drug evidence now being held in DEA vaults.

Another study reviewed the domestic cannabis eradication/suppression program for the National Drug Enforcement Policy Board. The final report and recommendations have been approved by the Board and sent to Congress. The Office provided additional analytic assistance to the National Drug Enforcement Policy Board on other projects, including a proposed air interdiction plan for the Southeast border and a preliminary analysis of the recommendations from the President's Commission on Organized Crime.

The Office also completed a review of the implementation of the Bail Reform Act of 1984 and revised the information system monitoring its use.

In the area of sentencing, the Office provided staff work for the Economic Crime Council's Sentencing Committee, and organized an advisory group from the Division's litigating sections to prepare a report on offender characteristics for the U.S. Sentencing Commission.

Finally, the Office reviewed and commented on numerous research studies and advised researchers on the concerns and interests of the Criminal Division.

Criminal Division

General Legal Activities, Salaries and expenses

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Organized Crime Prosecution		Public Integrity		Fraud		Narcotic and Dangerous Drugs		Internal Security		General Lit. & Legal Advice		Prosecution Support		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
GS/GM-15	5	$296	...	...	1	$59	...	...	...	...	2	$118	1	$59	9	$ 53
GS/GM-14	6	302	...	...	1	50	...	...	...	...	1	50	3	151	11	553
GS/GM-13	3	128	...	...	1	43	...	...	...	...	...	...	1	43	5	214
GS/GM 12	1	36	...	...	...	...	...	...	...	...	...	...	...	...	1	36
GS-11	...	...	...	...	...	...	...	...	...	...	...	...	1	30	1	30
GS-9	...	...	...	...	1	25	...	...	...	...	...	...	2	49	3	74
GS-7	1	20	...	...	...	...	...	...	...	...	...	...	1	20	2	40
GS-6	4	73	...	...	1	18	...	...	...	...	1	18	1	18	7	127
GS-5	3	49	...	...	1	16	...	...	...	...	...	...	1	16	5	81
GS-4	1	15	...	...	...	...	...	...	...	...	...	...	...	...	1	15
Total positions and annual rate	24	919	...	...	6	211	...	...	...	...	4	186	11	386	45	1,703
Lapse (-)	-6	-180	...	...	-2	-42	...	...	...	...	-1	-37	-3	-77	-12	-336
Permanent workyears and compensation	18	739	...	...	4	169	...	...	...	...	3	149	8	309	33	1,366
Other personnel comp	...	95	...	$12	...	28	...	$12	...	$10	...	18	...	...	...	175
Total workyears and compensation	18	834	...	12	4	197	...	12	...	10	3	167	8	309	33	1,541
Personnel benefits		193		14		63		17		13		46		37		383
Travel		114		57		208		77		17		128		72		673
Transportation of things		15		...		5		...		...		3		8		31
GSA rent		151		...		43		...		...		19		49		267
Communications, util and miscellaneous		124		...		49		...		...		14		47		234
Printing and reproduction		44		...		17		...		...		5		18		84
Other services		712		42		87		35		37		60		57		1,030
Supplies		47		...		18		...		...		3		15		83
Equipment		78		...		21		...		...		13		36		148
Total, workyears & obligations, 1987	18	2,312	...	125	4	708	...	141	...	77	3	458	8	648	33	4,469

CRIMINAL DIVISION

Salaries and expenses, General Legal Activities

Priority Rankings

Base Program

Program	Ranking
Organized Crime Prosecution	1
Narcotic and Dangerous Drug Prosecution	2
Organized Crime Drug Enforcement	3
Fraud Section	4
Public Integrity	5
Internal Security	6
General Litigation and Legal Advice	7
Office of Special Investigation	8
Federal Appellate Activity	9
Prosecution Support	10
Management and Administration	11

Program Increase

Program	Ranking
Organized Crime Prosecution	1
General Litigation and Legal Advice	2
Prosecution Support	3
Fraud	4
Narcotic & Dangerous Drug Prosecution	5
Public Integrity	6
Internal Security Section	7

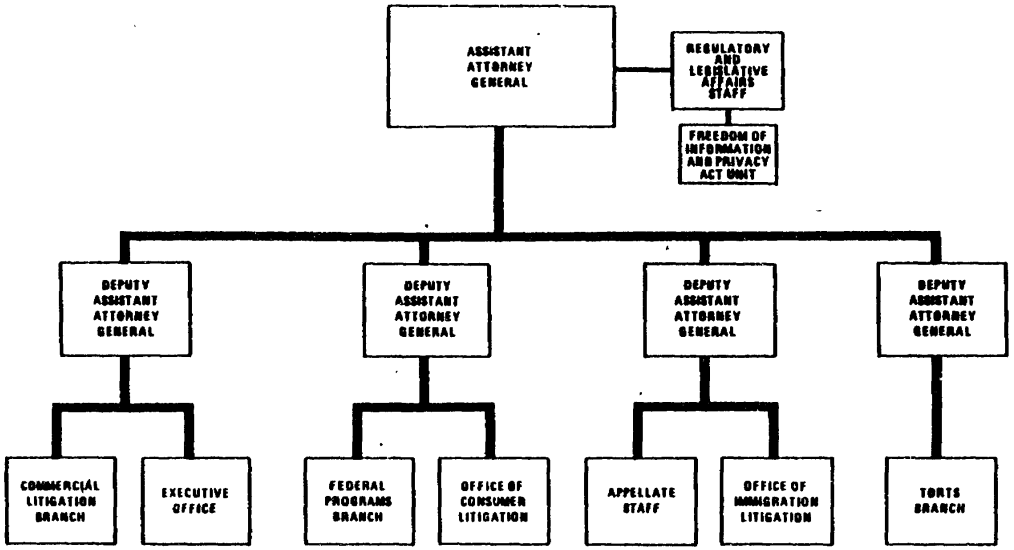
Criminal Division

General Legal Activities, Salaries and expenses

Detail of Permanent Positions by Category
Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized	1988	
			Program Increases	Total
Attorneys (905)	407	417	26	443
Paralegal Specialist (950)	65	65	5	70
Other legal and kindred (900-998)	10	10	2	12
Other miscellaneous (001-099)	3	3	...	3
Social sciences, economics (100-199)	7	6	...	6
General admin., clerical (300-399)	257	262	12	274
Accounting and budget (500-599)	7	6	...	6
Total	756	769	45	814
Washington	541	544	21	565
Field	215	225	24	249
Total	756	769	45	814

CIVIL DIVISION



Approved Edwin Meese III
EDWIN MEESE III
Attorney General

Date 27 Feb 86

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Civil Division

Salaries and expenses, General Legal Activities

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request As Amended			Congressional Appropriation Actions on 1987 Request			Reprogrammings			1987 Supplementals Requested				1987 Appropriation Anticipated		
										Program			Pay & FERS			
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.		Pos.	WY	Amt.
Federal Appellate Activity	64	70	$4,347	...	...	-$208	...	...	+$687	3	1	$137	$78	67	71	$5,041
Torts Litigation	214	215	30,680	-7	-5	-2,894	+3	+3	-1,708	..	...	96	257	210	213	26,431
Commercial Litigation	285	274	17,974	-29	-22	-1,992	+21	+21	+7,054	21	5	779	368	298	278	24,183
Federal Programs	172	178	17,115	...	...	-766	-21	-21	-5,983	...	...	72	190	151	157	10,628
Consumer Litigation	35	37	1,950	...	...	-100	...	...	+152	...	...	17	44	35	37	2,063
Immigration Litigation	30	30	2,955	...	...	-144	...	...	-505	10	2	845	44	40	32	3,195
Management and Administration	104	105	5,081	...	...	-247	-3	-3	+303	...	...	51	134	101	102	5,322
Total	904	909	80,102	-36	-27	-6,351	...	...	...	34	8	1,997	1,115	902	890	76,863

Explanation of Analysis of Changes from 1986 Appropriation Request

Congressional Appropriation Actions. Congressional appropriation actions reduced the President's budget request by $6,351,000.

Reprogramming

Privatization of the accounts maintenance activity has resulted in the transfer of three positions and FTE from Management and Administration to Torts Litigation. Responsibility for the Washington Public Power Supply System litigation (21 positions and FTE and $5,107,000) has been transferred from the Federal Programs decision unit to the Commercial Litigation decision unit to facilitate the most effective management of this massive litigation. To enable all decision units to maintain employment at appropriated levels, $3,089,000 has been transferred from Torts, Federal Programs and Immigration Litigation to Appellate, Commercial Litigation, Consumer Litigation and Management and Administration.

Supplementals Requested

A supplemental appropriation is required to handle litigation arising from passage of Immigration Reform legislation (13 positions, 3 FTE and $936,000); implement and comply with new anti-fraud legislation (21 positions, 5 FTE and $640,000); cover relocation costs ($320,000); and to cover higher FTS costs ($101,000). The pay request provides $504,000 to meet increased pay requirements and the FERS request provides $611,000 for increased retirement contributions.

Civil Division

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	868	882	$73,751
1987 Pay and retirement supplemental requested	...	...	1,115
1987 Program supplemental requested	34	8	1,997
1987 appropriation anticipated	902	890	76,863
Transfer of Financial and Administrative Support Group	...	...	84
Uncontrollable increases	...	35	8,780
Decreases	...	...	-152
1988 base	902	925	85,575

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
4. Claims, customs, and general civil matters	902	890	$76,863	902	925	$85,575	1,016	997	$99,154	114	72	$13,579

Civil Division

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	868	882	$73,751
1987 Pay and retirement supplemental requested	...	...	1,115
1987 Program supplemental requested	34	8	1,997
1987 appropriation anticipated	902	890	76,863
Transfer of Financial and Administrative Support Group	...	...	84
Uncontrollable increases:			
One additional compensable day	...	...	206
Annualization of 1987 position increases	...	9	539
Annualization of 1987 program and Bond Building supplemental	...	26	1,732
Annualization of 1987 pay supplemental	...	...	892
Annualization of 1987 retirement supplemental	...	...	1,825
Within-grade increases	...	...	421
Locality based per diem increases	...	...	157
GSA rent	...	...	1,194
GSA recurring reimbursable services	...	...	11
Federal Telecommunications System (FTS)	...	...	53
Telephone services	...	...	57
GPO printing costs	...	...	2
Employee data and payroll services	...	...	56
Audio visual and media services	...	...	17
General pricing level adjustment	...	...	1,613
Foreign allowances	...	...	5
Total, uncontrollable increases	...	35	8,780
Decreases:			
Reduction for change in hourly rate	...	...	-109
Reduction in health benefits	...	...	-43
Total decreases	...	...	-152
1988 Base	902	925	85,575

Civil Division

Salaries and expenses, General Legal Activities

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1986 as Enacted Perm. Pos.	WY	Amount*	1986 Actual Perm. Pos.	WY	Amount	1987 Appropriation Anticipated Perm. Pos.	WY	Amount	1988 Base Perm. Pos.	WY	Amount	1988 Estimate Perm. Pos.	WY	Amount	Increase/Decrease Perm. Pos.	WY	Amount
Federal Appellate Activity	64	70	$3,931	64	69	$4,096	67	71	$5,041	67	73	$5,629	101	94	$7,960	34	21	$2,331
Torts Litigation	200	205	25,120	200	203	26,280	210	213	26,431	210	215	28,083	230	228	32,036	20	13	3,953
Commercial Litigation	227	230	14,101	225	225	14,786	298	278	24,183	298	301	27,747	327	319	32,239	29	18	4,492
Federal Programs	172	178	15,995	172	164	16,445	151	157	10,628	151	157	11,733	171	170	13,146	20	13	1,413
Consumer Litigation	35	37	1,699	35	30	1,798	35	37	2,063	35	37	2,323	35	37	2,323	...	...	...
Immigration Litigation	30	30	2,655	30	30	2,503	40	30	3,195	40	38	3,956	51	45	5,346	11	7	1,390
Management and Administration	104	105	4,559	106	105	4,728	101	104	5,322	101	104	6,104	101	104	6,104	...	...	...
Total	832	855	68,060	832	826	70,636	902	890	76,863	902	925	85,575	1,016	997	99,154	114	72	13,579
Other Workyears																		
Holiday		...			...			...			...			...			...	
Overtime		8			5			8			8			8			...	
Total Compensable Workyears		863			831			898			933			1,005			72	
Reimbursable Workyears		...			...			...			...			...			...	
Total Workyears		863			831			898			933			1,005			72	

* Amount does not include $4,000,000 carried forward into 1986 for Automated Litigation Support Services.

Civil Division

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Estimates by Program	1987 Appropriation Anticipated Perm. Pos.	WY	Amount	1988 Base Perm. Pos.	WY	Amount	1988 Estimate Perm. Pos.	WY	Amount	Increase/Decrease Perm. Pos.	WY	Amount
Federal Appellate Activity	67	71	$5,041	67	73	$5,629	101	94	$7,960	34	21	$2,331
Torts Litigation	210	213	26,431	210	215	28,083	230	228	32,036	20	13	3,953
Commercial Litigation	298	278	24,183	298	301	27,747	327	319	32,239	29	18	4,492
Federal Programs	151	157	10,628	151	157	11,733	171	170	13,146	20	13	1,413
Consumer Litigation	35	37	2,063	35	37	2,323	35	37	2,323	...	...	...
Immigration Litigation	40	30	3,195	40	38	3,956	51	45	5,346	11	7	1,390
Management and Administration	101	104	5,322	101	104	6,104	101	104	6,104	...	...	...
Total	902	890	76,863	902	925	85,575	1,016	997	99,154	114	72	13,579

This activity provides representation for the United States' interests in all types of civil cases and matters except those within the specialized fields of the other divisions of the Department. The litigation encompasses the full spectrum of legal problems encountered by private business enterprises because the departments and agencies of the Government are engaged in innumerable commercial ventures similar to those of a modern corporation, such as buying, selling, construction, shipping, production of energy, insurance, housing and banking. In addition, the Division litigates the significant policy issues, often rising to constitutional dimension, associated with Government activities. Hence, the overall objective of Civil Division activity is to provide the Government with the best possible legal representation. While the Division operates as the Government's law firm, it also functions as a counselor and advisor for important Government programs that may become the subject of litigation.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal Appellate Activity..	67	71	$5,041	67	73	$5,629	101	94	$7,960	34	21	$2,331

Long-range Goal: To protect the interests of the United States by successfully defending against appeals seeking reversal of trial court and agency decisions favorable to the Government, securing the reversal of trial court or agency decisions against the Government, and preparing documents for filing in the Supreme Court.

Major Objectives:

To prevail in appellate litigation challenging trial court or administrative decisions in favor of the United States.

To initiate and prevail in appeals in which the Government's opponents were successful at the trial court or administrative levels.

To protect the Government's interest at the highest level of appeal by preparing documents to be filed by the Solicitor General in the Supreme Court.

Base Program Description: The Appellate Staff defends the interests of the United States in litigation in Federal and state courts of appeals and prepares documents for filing by the Solicitor General in the Supreme Court. While many judgments entered at the trial courts level in Civil Division cases are favorable to the Government, they are often appealed by the opponent. To ensure resolution of the problem which initially gave rise to the litigation (i.e. recovery of monies, protection or enforcement of Federal programs, or defense of monetary claims) these cases must be defended at the appeals court level. Similarly, adverse trial court decisions must be studied and analyzed and appeals filed and prosecuted if the Government's interest is to be fully protected. Finally, several major Federal statutes provide direct review of administrative decisions at the appeals court level.

New cases filed in the Supreme Court are projected to increase in 1988 by 50 percent over 1986. At the court of appeals level, new cases are expected to increase by 20 percent over the two-year period.

Workload and Accomplishments: Workload of the Appellate Staff is presented in the following table:

Appellate Litigation	1985 Actual	1986 Actual	1987 Estimate	1988 Estimate Base	1988 Estimate Request
1. Handled by Appellate Staff					
a. Pending Beginning of Year	1,706	2,097	2,473	2,746	2,746
b. Received During Year	1,752	1,969	2,131	1,105	2,567
c. Terminated During Year	1,361	1,593	1,858	1,639	2,143
d. Pending End of Year	2,097	2,473	2,746	2,212	3,170
2. Handled in Branches					
a. Pending Beginning of Year	5,184	3,491	2,845	2,369	2,369
b. Received During Year	1,776	1,517	1,622	1,569	2,082
c. Terminated During Year	3,469	2,162	2,098	1,478	1,728
d. Pending End of Year	3,491	2,845	2,369	2,460	2,723
3. Received and Referred to U.S. Attorneys	1,410	1,534	1,673	2,873	1,828

During the past year, the Appellate Staff handled a variety of nationally significant cases:

Bowen v. Posse. In this case, the State of California and others challenged Congressional authority to alter terms of the Social Security Act. Recently, coverage groups of state and local government workers began to withdraw from the system in large numbers. This trend prompted Congress to change the statute to prevent any further withdrawals by these employees. The district court enjoined operation of the anti-termination provision holding that the states had contract rights allowing them to terminate the agreements. The Supreme Court reversed the district court in a unanimous decision, holding that Congress had retained its sovereign right to amend the terms of the program and that no constitutional right had been violated. This decision saves the Government $500 million to $1 billion annually and reaffirms Congress' plenary legislative authority.

Lyng v. Payne. A north Florida farmer filed this class action asserting that the FmHA had failed to adequately publicize an emergency loan program. The district court held that the publicity given to the loan program was inadequate and ordered FmHA to reopen the loan program for the class' benefit. We appealed, arguing that the publicity accorded the program was adequate and that the Government cannot be estopped from enforcing lawful conditions on the receipt of public benefits -- in this case the date for terminating the loan program. The Supreme Court upheld

FmHA's conduct on the grounds that (1) the Government cannot be estopped from enforcing the statute and (2) the agency acted in compliance with the relevant regulations governing publicity of the loan program. This major victory saved the Government approximately $250 million.

Library of Congress v. Shaw. In this case, the Supreme Court reversed a ruling by the court of appeals that had allowed a 30 percent enhancement of a Title VII attorney's fee award against the Government because of delay between the rendering of the services and the payment of the fee. The Court held that enhancement of the fee for delay amounted to the imposition of interest against the United States and that Congress had not expressly waived the Government's traditional immunity from interest in Title VII. The Court's categorical rejection of delay as a proper basis for enhancement of a Title VII fee award should also lead to reversal of cases authorizing use of "current" rates rather than historical rates to compensate for delay, thereby greatly reducing the dollar amount of fee awards against the United States.

Americans United for Separation of Church and State v. Reagan. Plaintiffs sued the President, Secretary of State and U. S. Ambassador to the Vatican, claiming that Presidential action and Congressional consent in extending diplomatic recognition to the Vatican violated the Constitution. The district court dismissed the suit as nonjusticiable and the court of appeals affirmed on the grounds that (1) the plaintiffs lacked standing to bring this action and (2) the action presented a nonjusticiable political question. Subsequently, the Supreme Court denied certiorari. This case reaffirms the President's constitutional power in conducting international diplomacy without judicial review of political actions.

Program Changes: The Appellate Staff requests 34 new positions and $2,331,000 to handle the enormous growth of appellate litigation.

New positions will enable the Branch to handle the unprecedented increase of appellate litigation. Over the past five years, the number of appellate actions for which the Division was responsible increased by more than 80 percent. By 1988, our courts of appeals and Supreme Court workloads will further increase by 40 and 80 percent, respectively. Potential losses in cases on appeal will more than double from $29 billion in 1986 to over $58 billion in 1988.

This explosion in appellate litigation has its greatest impact in actions against the Government seeking to overturn legitimate trial court and administrative decisions. Cases appealed by the Government's opponents constitute 80 percent of the Branch workload. Without the requested level of resources, the Division will be forced to delegate almost 3,000 defensive cases, primarily to client agency attorneys that generally lack appellate expertise. The loss of a centralized cadre of appeals lawyers would cause an unacceptable diffusion of appeals litigation with no real savings in personnel costs to the Government as a whole.

The Division must also be able to initiate action in appellate courts to reverse judicial decisions which would cost the Treasury enormous sums. In 1988, appellate attorneys will reassert the Government's arguments to reverse more than $2.3 billion in adverse judgments. Other appellate litigation is crucial to vindicate the constitutionality of significant Federal programs and initiatives. Given the tremendous growth in cases brought against the Government which must be defended, without increased resources the Civil Division will have to forego the appeal of adverse trial and appellate court decisions.

Additional positions will enable the Branch to defend the new Immigration Reform Act. The Appellate Staff will be facing challenges to the Act reaching to the Supreme Court. A strong defense is essential to maintaining the integrity of the nation's new comprehensive immigration law in this final appeal stage.

Without the requested level of resources, the explosive growth of appellate litigation will force the delegation of defensive cases and the acquiescence in numerous unfavorable decisions. The defense of immigration reform, 15 years in the making, will be jeopardized. Inadequate funding risks billions in Treasury losses and frustrates crucial Federal programs.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Torts Litigation.....	210	213	$26,431	210	215	$28,083	230	228	$32,036	20	13	$3,953

Long-range Goal: To protect the interests of the United States by successfully litigating in defense of non-meritorious monetary claims, preventing excessive losses from meritorious claims and maximizing the monetary recovery for injury and damages to Government property.

Major Objectives:

To prevail in the defense of tort actions brought against the Government, its agencies and individual Federal employees and to seek contribution and indemnity from third parties where the Federal Treasury has been required to satisfy the obligations of another party.

To initiate and prevail in affirmative actions when the Government has sustained injury or expended resources on behalf of another party.

Base Program Description: In the course of performing the missions and duties assigned by the Congress and the President, the Government is frequently challenged by private plaintiffs seeking monetary damages for alleged negligent or wrongful conduct or for violating constitutional and common law rights of the plaintiffs causing damage or injury. In addition, the acts of private tortfeasors sometimes result in injury or damage to Government property which prompts affirmative actions by the United States for compensation.

The standard rule that the United States should not be liable for its regulatory or program activities is increasingly under attack. Compounding this trend is the liberalization of the expansion of tort law both in the courts and the private sector. Traditional Government defenses are no longer ironclad. Cases which historically would have been the subject of relatively simple motions are now of major importance and threaten enormous fiscal impact. The plaintiffs' bar has begun to view the Government as an opponent with limited litigation resources, but with a "deep pocket" to fund adverse judgments.

The mission of the Torts Branch is to act as the Government's attorney in defending these claims and bringing suit when the Government has sustained injury. Moreover, the Branch serves as the guardian of the public funds, defending tort claims which could potentially cost the U.S. Treasury billions of dollars. New cases are projected to increase substantially, especially aviation, medical malpractice, constitutional torts and toxic torts cases where total dollars defended are expected to reach $192 billion by 1988. In litigation initiated to recover damages for the Government, more than $623 million will be sought during 1988.

Workload and Accomplishments: Workload of Torts Litigation is presented in the following table:

Torts Litigation	1985 Actual	1986 Actual	1987 Estimate	1988 Estimate Base	1988 Estimate Request
1. Personally Handled					
a. Pending Beginning of Year	4,949	5,081	5,234	5,647	5,647
b. Received During Year	1,892	1,333	1,586	781	1,853
c. Terminated During Year	1,760	1,180	1,173	978	1,381
d. Pending End of Year	5,081	5,234	5,647	5,450	6,119
e. Dollars at Issue (Million)	$99,104	$97,483	$128,136	$148,232	$192,739
2. Received and Referred to U.S. Attorneys	3,488	4,134	4,942	6,887	5,968

In aviation and admiralty, the Branch engaged in extensive discovery activities throughout the year in the consolidated multidistrict litigation arising out of the Delta 191 crash at Dallas/Ft. Worth, preparing for a trial expected in the spring of 1987. The Branch obtained reversal of the notorious district court opinion in Honour Brown v. United States, freeing the Government from the potential for enormous liability for negligent marine weather forecasts. In addition to a massive defensive caseload, the admiralty staff continued to provide the Branch's largest source of affirmative recoveries through vessel pollution, cargo, lock damage, wreck removal and ship mortgage foreclosure cases - more than $7 million in 1986.

In the Atomic Weapons Contractor cases, we are defending against attacks on the constitutionality of Section 1631 of the Defense Appropriation Act of 1985 (P.L. 98-525), which established an exclusive damage remedy against the United States for acts of nuclear weapons contractors. An appeal is pending following a favorable decision in the Northern District of California. This decision upheld the statute, applying it to bar more than 40 consolidated suits.

Cases that use the tort system to challenge the administration of Federal programs provide a seemingly limitless variety of novel legal and factual situations. In 1986, Branch attorneys defended successfully many pending toxic tort suits, including Wilhoite v. United States, a $1.3 billion case brought to trial by 1,300 plaintiffs allegedly exposed to DDT manufactured on federal property. Also, in Payton v. United States, the first case of its kind, the Branch tried and won a lawsuit which sought to make the Parole Commission and the Bureau of Prisons liable for the murder of a person killed by a former prisoner who became a serial murderer after his parole.

The Torts Branch has continued its aggressive and successful defense of asbestos claims. In Smith v. United States, the Third Circuit reversed the district court and ordered entry of summary judgment in the Government's favor, dismissing on discretionary function grounds, manufacturers' allegations that the United States was liable for sales of raw asbestos fiber from GSA stockpiles to knowlegable asbestos product manufacturers.

In In re All Maine Asbestos Litigation (FNS Cases), the Supreme Court denied manufacturers' petitions for writs of certiorari, letting stand the Government's victory in the First Circuit dismissing third-party tort claims arising from public shipyards; and in Lopez v. A.C. & S., the Chief Judge for the Western District of Washington agreed with the First Circuit and dismissed third-party tort (as well as contract) claims arising out of another public shipyard.

Constitutional tort attorneys continue to defend aggressively present and former Government officials against the burdens of litigation as well as liability. In Wilkinson v. FBI, a sensitive case arising out of the investigation of the plaintiffs, principals of the National Committee Against Repressive Legislation (NCARL), the Branch recently prevailed on a motion for summary judgment, achieving dismissal of all claims for damages against the Federal defendants as well as the United States. This dismissal successfully terminated six years of resource intensive litigation.

Program Changes: The Torts Branch requests 20 positions and $3,953,000 to adequately defend against the onslaught of unwarranted raids on the Treasury. As part of this increase, $2,141,000 is needed for Automated Litigation Support (ALS) services.

The extraordinary growth over the last decade in the number of tort lawsuits in the Federal courts continues to be reflected in the Division's caseload. Even more alarming is the unprecedented increase in the size of awards sought in the litigation handled by the Branch. At the end of 1986, claims reached a staggering $97.2 billion -- more than doubling in just two years. Potential liabilities in this defensive litigation will reach $192 billion by 1988 -- another doubling.

New positions will allow the Branch to personally handle the massive litigation and claims brought against the United States as a result of airline disasters, including cases arising from the Aeromexico/Carritos midair collision. Such recent experiences coupled with an annual increase in general aviation accidents portend a sizeable increase in aviation cases with as many as 190 new major cases expected in 1988. However, the numbers alone reflect only part of the increasing workload. Major air disaster litigation is becoming more complex with increasing use of consolidated and third-party cases, requiring far more attorney effort than in the past. Dollars at risk in these cases will be as much as $45 billion in 1988. Without these additional resources to handle the escalating aviation litigation, the risk to the Treasury will be unacceptably high. The Division would be forced to compromise the defense of major cases through the understaffing of litigation teams and the delegation of many new cases.

Additionally, Division attorneys must be able to handle constitutional tort cases which have the greatest potential impact upon Government officials. Of particular concern are the activities of Federal law enforcement agencies, agents and officers. These suits can have a debilitating effect on their commitment to reduce crime and curtail illegal drug use in this country. By 1988 we expect that the number of personally defended cases will increase by as much as a third.

The lack of an adequate central core of lawyers to defend against constitutional torts suits will subject various high level officials to a decentralized and uncoordinated defense in numerous and often related lawsuits. Because officials in every activity of Government, particularly law enforcement, are personally sued in these cases, the effectiveness of numerous programs will be compromised and their critical operations brought under unwarranted scrutiny.

Additional positions will also enable the Branch to personally handle the increasingly complex medical malpractice and employee negligence claims. Further, the Branch will be able to defend against damage claims in the atomic weapons contractor cases. These cases will pose a major threat to the Treasury, with plaintiffs seeking billions of dollars.

Branch attorneys will be able to initiate millions of dollars in admiralty claims for vessel pollution, lock damage, wreck removal and mortgage foreclosure cases, the latter being particularly significant with the recent bankruptcies of both Prudential Lines and United States Lines. Without additional resources, the Branch would be forced to forego the initiation of more than 100 cases, with a price tag of more than $250 million in forfeited potential recoveries.

The Branch must continue its aggressive asbestos litigation defense where the United States Treasury is exposed to losses exceeding $18 billion. The intensive devotion of resources by the Branch, thus far, has been indispensable to achieving recent victories. However, the major challenge still lies ahead. The first segment of the Johns-Manville Claims Court litigation is scheduled to begin in March 1987 and the trials of other manufacturers are scheduled to follow in the summer of 1987. Continued support to mount a strong defense is most critical now to solidify the Government's defense and make the most effective use of the extensive preparation to date. The most critical element in support of trial preparation is ALS. The Torts Branch requires $2,141,000 to:

- provide trial and paralegal support for upcoming trials;
- complete processing of nearly 300 million pages of documents in compliance with court-ordered consolidated discovery; and
- cover additional computer processing and storage costs.

The importance of this funding was exemplified in a recent statement by the Claims Court Judge for the upcoming Johns-Manville trial.

> I am not so much concerned about the government's difficulty in preparing for trial, with all due sympathy to the government in terms of its own resource problems. The government can either pay judgments or pay attorneys, and it makes its choice. And if plaintiffs are ready to go, especially with the time periods that have been involved in this case, there is no reason the government can't muster the requisite resources to avoid suffering enormous judgments. So that will not be a major factor. [Emphasis added].

Without relevant documents to rebut plaintiffs' allegations, our attorneys will face judicial hostility, sanctions, preclusion orders, and adverse judgments of billions of dollars.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Commercial Litigation.....	298	278	$24,183	298	301	$27,747	327	319	$32,239	29	18	$4,492

Long-range Goal: To successfully prosecute claims for the recovery of monies fraudulently secured or improperly diverted from the United States; defend international trade policy; defend and assert the Government's contract and intellectual property rights; defend and assert the Government's financial and commercial interest under foreign treaties; and collect monies owed the United States as a result of civil judgments, compromises and defaulted loans.

Major Objectives:

To save the Government money by winning lawsuits and obtaining favorable settlements of contract, intellectual property, international trade and Government employment litigation brought against the United States.

To collect money owed the United States as a result of defaulted contracts, unpaid loans, unsatisfied judgments, breach of grant agreements and misuse of benefit programs.

To recover funds lost through fraud in Government programs and the corruption of public employees and to deter future losses by collecting the statutory penalties allowed for such violations.

To defend Government policies challenged in litigation involving money damages.

Base Program Description: The Commercial Litigation Branch is responsible for defending actions seeking money judgments against the United States and for initiating civil action to collect money owed the United States as a result of various commercial and statutory activities. The Branch is also responsible for the Government's civil litigation arising from fraud, bribery and official misconduct; the collection of civil fines or other money judgments; challenges to Government personnel actions; the collection of defaulted loans; and other litigation arising from the commercial undertakings of the Federal government. As Federal outlays increase, particularly for national defense, litigation resulting from commercial expenditures rises proportionately. The Branch's activities are largely defensive in its efforts to protect the financial interests of the United States.

The defensive workload of the branch continues to rise, particularly in patents, contracts and international trade cases. Associated claims are expected to reach $4.7 billion in 1988.

In affirmative litigation, the Branch will seek recovery of more than $7.3 billion through frauds, bankruptcy and loan default litigation.

Workload and Accomplishments: Workload of Commercial Litigation is presented in the following table:

Commercial Litigation	1985 Actual	1986 Actual	1987 Estimate	1988 Estimate Base	1988 Estimate Request
1. Personally Handled					
a. Pending Beginning of Year	13,864	11,867	12,320	12,373	12,373
b. Received During Year	4,184	3,884	4,420	4,522	4,960
c. Terminated During Year	6,179	3,431	4,367	4,151	4,227
d. Pending End of Year	11,867	12,320	12,373	12,744	13,106
e. Dollars at Issue (Millions)	$26,102	$26,154	$26,884	$26,166	$27,659
2. Received and Referred to U.S. Attorneys	11,274	13,182	15,332	17,529	17,529

In 1986, the Branch handled significant litigation in district courts and bankruptcy courts arising out of the Government's interests in the airline, energy, maritime, steel and utility industries. In the Air Florida bankruptcy, a plan of reorganization was confirmed, resulting in the recovery of over $30 million on the Federal Aviation Administration's claims. Foreclosure litigation over the default of the Great Plains Coal Gasification Plant on $1.5 billion in Department of Energy guaranteed loans resulted in the Secretary of Energy's acquisition of the plant. We represented the Maritime Administration, whose borrowers filed chapter 11 bankruptcy petitions involving over $1.7 billion in defaulted loans.

We represented the Economic Development Administration in the bankruptcy proceedings of its steel company borrowers such as LTV, Wheeling-Pittsburgh, Roebling Steel and Youngstown Steel. In LTV, we succeeded in having $4.5 billion in defense contracts assumed by the LTV Aerospace Division within one week of its bankruptcy filing; permitting the orderly continued performance of those vital defense contracts. Finally, in the utilities field, we expanded our representation of the Rural Electrification Administration with respect to over $3 billion in defaulted loans to rural cooperatives made or guaranteed by the REA and we continued to represent the Bonneville Power Administration in the massive $7 billion Washington Public Power Supply System (WPPSS) bond default litigation.

The Branch continued its emphasis on Department of Defense procurement fraud cases, recovering more than $6 million from Litton Systems, Inc., $2.5 million from Stencel Aero Engineering, $2.2 million from Gould, Inc., and over $1 million from Systems Engineering Associates Corp. Recoveries in cases involving other government agencies included: $2.6 million from Idle Wild Farm, Inc., for skimming beef donated by the Agriculture Department for use in the school lunch program; $2.3 million from Medline Industries Inc. and $1.5 million from Chemed Corp., both for

failing to disclose relevant pricing information during negotiations with GSA and VA procurement officials; and $1.1 million from Loew's Corp. over improper charging of costs by the Mail Handler's Health Plan.

In Zummerling v. Marsh, we successfully argued that the Office of Personnel Management's formula for computing the overtime of federal firefighters conformed to standards required by the Fair Labor Standards Act, resulting in the continuing saving of approximately $1 million a week since 1979. In Bronger v. Department of Transportation, the Federal Circuit accepted the Branch's argument that an air traffic controller's military service is not creditable toward the time civilian air traffic controllers are required to serve to qualify for an early retirement annuity saving approximately $6 million in controllers' retirement benefits and potentially saving up to $18 million in similar early retirement programs.

In Pizzarotti v. United States, the Branch's Foreign Litigation Unit successfully defended a test case in Italy brought by Italian contractors seeking price escalations due to cost increases during the performance of the contracts. The ruling will impact favorably on nine other suits which collectively seek over $9 million from the United States. In the Matter of the Assassination of Lt. Col. Charles Ray, the United States has intervened as a civil party in a criminal case in Paris against Georges Ibrahim Abdallah for the murder of a U.S. Embassy official, successfully using our civil party status as a means of preventing the release of the defendant and strengthening the criminal prosecution.

The Branch's defense of the Government's patent rights saved the Treasury over $5 million in Heineman v. United States and more than $4 million in Hazeltine v. United States.

Program Changes: The Commercial Litigation Branch requests 29 positions and $4,492,000 to resist unwarranted demands on the Treasury and bring suit to recover monies owed to the Government. This funding includes $2,714,000 for Automated Litigation Support (ALS) services.

New positions will allow Branch attorneys to personally handle litigation brought against Federal agencies in the recently created Claims Court and the Court of Appeals for the Federal Circuit. The caseload in these two courts will continue to overburden available resources, particularly in the complex areas of contracts and patents. Not only has the volume of filings increased, patent cases have nearly doubled, but the cases under the Claims Court's jurisdiction are requiring an extraordinary level of effort to master the complex legal and factual issues and to prepare for trial.

The requested level of resources will provide strong support for the Government's efforts to recover money lost through waste, fraud and abuse. The number and quality of civil fraud referrals will continue to increase, particularly defense procurement fraud. Increased positions will allow Branch attorneys to initiate action on almost 100 of these referrals, recovering millions for the Treasury and deterring future misuse of Government funds. Without the ability to file suit in civil fraud cases, the effectiveness of the anti-fraud investigative and audit network will be crippled.

The Division's anti-fraud litigators oppose attorneys representing some of the nation's largest corporations. We cannot achieve parity with our opponents without additional ALS services:

- We need $464,000 to maintain ALS document collections. The Division currently provides ALS for 4 frauds cases with document collections totalling more than half a million pages. By 1988, the number of cases requiring support will double, calling for even greater dedication of funds.

- The recently enacted False Claims Act Amendments authorize the Department to compel production of records and to take sworn testimony before deciding whether a civil fraud suit is warranted. This provision will require $350,000 for ALS to organize, review and secure storage for large volumes of documents.

Additional personnel will allow the Branch to protect the creditor rights of the United States in complex chapter 11 bankruptcy cases. Also, the Division must continue its aggressive pursuit in loan default litigation. Particularly critical are the loan defaults and bankruptcies of several utility cooperatives holding Government loans worth more than $3 billion. Defaulted loans to the ailing shipping industry threaten loss of some $1.7 billion.

We must also continue to defend the mammoth WPPSS cases. The reversal of an earlier decision dismissing the United States as defendant in the WPPSS litigation reopened cases with $7.4 billion in claims and over 240 million pages of documents.

- This expanding document collection requires $1.9 million in additional ALS funding in order to meet court schedules for depositions, discovery and trials. Without the requested funding, our attorneys will miss court deadlines, damaging the Government's cases and opening the attorneys to court sanctions.

Failure to provide these essential resources will hamstring the Civil Division's efforts to defend the Treasury against baseless claims. The Division will be unable to initiate more than 300 fraud, debt and bankruptcy cases, foregoing the recovery of untold millions. Such action will devastate the Division's successful representation of the Government's commercial interests.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal Programs.....	151	157	$10,623	151	157	$11,733	171	170	$13,146	20	13	$1,413

Long-range Goal: To successfully defend against the challenges to Federal civil programs, policies and initiatives and to enforce remedies for statutory violations of Federal programs.

Major Objectives:

To prevail on behalf of the United States in defensive civil litigation which arises from judicial review of the programs, policies, initiatives and decisions of the President, Executive Branch agencies and officials of the Legislative and Judicial Branches.

To initiate and prevail in affirmative litigation aimed at remedying statutory and regulatory violations.

Base Program Description: The Federal Programs Branch serves to defend the integrity and enforcement, and often the continuing existence and viability, of virtually all Federal agencies' programs, policies, initiatives and decisions. The public, either individually or through various organizations and groups, has turned increasingly to the courts in an effort to change programs, policies and decisions they perceive to be deficient. Consequently, the Branch must vigorously defend against legal challenges to an ever-increasing number of vital Government policies and programs to ensure they are not frustrated through the judicial process.

In civil litigation, the Branch represents the United States and its nearly 100 Departments and agencies, Members of Congress, the Federal judiciary, Cabinet members and other Federal executives, officers and employees acting in their official capacities. Most of the litigation is defensive.

The litigation defended by the Branch, while generally not for specific monetary amounts, does include cases with actual or potentially massive impacts upon the Federal treasury and budget. Often this defensive litigation handled by Branch attorneys affects Federal entitlements expenditures where challenges to restrictive statutory provisions and regulations could result in judicial decisions which would entitle plaintiffs to Federal benefits estimated to cost billions of dollars over the life of the entitlements program.

The Federal Programs Branch also serves as the emergency civil litigation center for the Government. This work involves handling the very complex litigation brought against the Government under extraordinarily short time frames. This litigation is most often extremely sensitive, controversial, highly visible and of national and/or international importance.

Workload and Accomplishments: Workload of Federal Programs is presented in the following table:

Federal Programs Litigation	1985 Actual	1986 Actual	1987 Estimate	1988 Estimate Base	1988 Estimate Request
1. Personally Handled					
a. Pending Beginning of Year	1,070	637	936	1,139	1,139
b. Received During Year	350	644	744	757	820
c. Terminated During Year	783	345	541	581	600
d. Pending End of Year	637	936	1,139	1,315	1,359
e. Dollars at Issue (Million)	$2,543	$8,574	$9,496	$10,181	$10,665
2. Received and Referred to U.S. Attorneys	3,073	3,371	3,451	3,784	3,721

As in past years, the Federal Programs Branch has again this year represented the government and its officers in many cases of national importance involving significant constitutional and statutory challenges. For example, in Melcher v. FOMC, the Branch successfully defended the composition of the Federal Open Market Committee, a component of the Federal Reserve, against a constitutional attack on the basis that the statutory provisions governing the appointment of Federal Reserve Bank members to the Committee violate the Appointments Clause of the Constitution. Also, in Hastings v. Judicial Conference of the United States, the Branch prevailed against a constitutional attack on the Judicial Council's Reform and Judicial Conduct and Disability Act of 1980. The challenge was brought by the Honorable Alcee L. Hastings, a district court judge in the Southern District of Florida, who is under investigation by a committee of judges of the Eleventh Circuit for alleged "conduct prejudicial to the effective and expeditious administration of the business of the courts."

During the past year the Branch also successfully defended OPM's decision to allow Blue Cross/Blue Shield to refund $800 million in health insurance premiums to the Federal government and to Federal and U.S. Postal Service employees. Former employees who had been in the insurance plans prior to the membership date which qualified for a refund brought a class action attacking the refund proposal and seeking "equitable" participation in the refunds. Branch attorneys persuaded the court to reject the claim, demonstrating to it that the refund procedures proposed by Blue Cross/Blue Shield were consistent both with the Federal health insurance statute and with general insurance industry practice.

Among the important cases presently being handled by the Branch is State of Nevada v. Dole, challenging the constitutionality of conditioning a state's right to receive certain Federal highway project funds on the state's maintaining a maximum 55 mph speed limit. The Branch is also defending the constitutionality of the Farm Credit Amendments Act of 1985 and all of the Federal drug-testing litigation.

The Branch continues to pursue important affirmative litigation such as Brock v. Gerace and Brock v. Hanley, two cases brought under the Employee Retirement Income Security Act on behalf of the Department of Labor. Both involve allegations of excessive costs and fiduciary breaches against fiduciaries and providers of services to union members under union dental plans.

Program Changes: The Federal Programs Branch requires an increase of 20 positions and $1,413,000 to handle its growing workload, where adequate defense is vital to the economy and effectiveness of Government operations.

The defensive caseload of the Branch will nearly double between 1986 and 1988. The factual and legal issues of these cases have nationwide impact. Many such suits are among the most complex and time-consuming filed against the United States and its agencies, involving multiple issues of constitutional law, statutory construction and regulatory interpretation. Although direct monetary claims are not a primary issue in most cases, dollars at issue will exceed $10 billion by 1988. This figure is compounded when considering that entitlements expenditures may be affected over the life of the programs.

Enhanced resources will allow the Branch to confront litigation arising from class action suits which have doubled in recent years. Another area of significant growth in resource demands will result from banking litigation, which doubled from 1985 to 1986 alone. The deregulation of banks and deterioration or collapse of certain banking institutions and systems will undoubtedly generate as many as 30 percent more cases against Federal banking agencies over the next two years. Additionally, litigation arising from Federal drug testing programs will continue into 1988, raising complicated legal, factual and technical issues. The Branch must already devote significant resources to this newly emerging litigation.

Of major concern is the growing crisis in Social Security disability litigation. These cases have a very real and substantial impact on both the administration and fiscal viability of the Social Security system. The massive volume of cases in the Federal courts — some 53,000 — and the 15,000 cases on remand to the Secretary of HHS will only be compounded by the anticipated 35,000 cases expected in 1987. Equally alarming is the increase in losses in Federal court suits, largely attributable to the difficulties of managing and handling this massive number of suits.

Although most of these cases are delegated to Social Security attorneys for primary handling, the dramatic "explosion" of litigation requires substantial additional commitments of resources by the Division. First, Civil's attorneys must handle the "lead" or major cases which raise constitutional, statutory and regulatory issues and are nationwide in scope and impact. Second, Division attorneys will be called upon to handle the extremely sensitive and important contempt actions against the Secretary of HHS. These matters are anticipated to result from the inability of SSA to respond timely to this enormous caseload. Finally, the cases will require additional resources to assist U.S. Attorneys and HHS officers in responding to the thousands of new suits.

Denial of these resources will force the delegation of extremely significant cases. For example, Freedom of Information and Privacy Act cases which require centralized handling to achieve consistency in interpretation and application of these Government-wide statutes would have to be delegated. The resulting fragmentation will bring inconsistency in interpretation and ultimately damage all agencies in their public information policies and practices. Further, delegation of the highly visible, complex class action discrimination lawsuits would substantially increase the likelihood of adverse judgments or settlements providing relief for overly-broad classes of employees. Without additional resources for Social Security litigation, the Division will be unable to assist in easing the litigation crisis. The continued viability of this already overburdened system will be seriously threatened, portending substantial losses to the Treasury through increased benefits.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Consumer Litigation.....	35	37	$2,063	35	37	$2,323	35	37	$2,323	...	...	...

Long-range Goal: To protect the interests of consumers from defective or harmful products and from unfair and deceptive trade practices.

Major Objectives:

To provide effective enforcement of Federal consumer protection statutes through institution of affirmative civil litigation.

To consider the prosecutive merit of criminal matters under consumer protection statutes and initiate or assist in the conduct of appropriate criminal proceedings.

To represent the United States in defensive litigation when initiatives and programs of the principal consumer protection agencies are challenged.

Base Program Description: The Office of Consumer Litigation has responsibility for litigation under Federal statutes that protect public health and safety and regulate unfair and deceptive trade practices in interstate commerce. The Office defends the programs, policies and decisions of the Government in consumer related areas and enforces those policies by both civil and criminal sanctions in order to avert health risks to the public and deter economic fraud which has a significant impact on the economy.

The Office initiates affirmative litigation to ensure that unsafe and adulterated foods and drugs do not reach the marketplace, protect the integrity of the drug approval process and enforce Federal policies in the regulation of foods. Affirmative litigation also covers hazardous and unsafe consumer products, unfair debt collection and consumer credit practices, franchising, door-to-door and mail order sales, enforcement of administrative orders relating to price fixing and divestiture, unfair and deceptive advertising practices and cigarette and automobile labeling. The Branch defends the Government in challenges to Federal policies and initiatives aimed at protecting the public in its purchase of foods, drugs, devices and consumer products.

The civil litigation initiated by the Office involves millions of dollars in judgments and recoveries for the Government.

Workload and Accomplishments: Workload of Consumer Litigation is presented in the following table:

Consumer Litigation	1985 Actual	1986 Estimate	1987 Estimate	1988 Estimate
1. Personally Handled				
a. Pending Beginning of Year	208	227	278	295
b. Received During Year	157	209	206	211
c. Terminated During Year	138	158	189	196
d. Pending End of Year	227	278	295	310
2. Received and Referred to U.S. Attorneys	165	208	208	208

In 1986, the Office of Consumer Litigation pursued odometer fraud actively, conducting major investigations in a number of states. Recent enforcement activities resulted in a series of successful prosecutions of used car dealers in Tennessee and Georgia. In U.S. v. Homer McDonald, et al., the largest odometer case instituted by the Department thus far, a grand jury in Georgia returned a 124-count indictment against five individuals and a corporation for felony and misdemeanor violations relating to an odometer tampering scheme. In another matter, the court imposed a 10-year jail term, the longest federal term of incarceration ever reported for odometer related offenses.

The Office also successfully prosecuted numerous criminal violations of the Food, Drug, and Cosmetic Act and related acts. The results in these prosecutions included the convictions of several major figures, including a licensed pharmacist, involved in the illegal distribution of steroids (U.S. v. Cecil Kennedy); return of an indictment against a major health products firm and some of its officers for conspiracy to defraud the Government and criminal misbranding (U.S. v. General Nutrition, et al.); and the conviction of one of the largest repackagers and distributors of generic drugs and several of its officers for their criminally obstructive behavior in the course of an FDA inspection (U.S. v. Generix).

The Office won a number of major appellate victories in 1986. In one case, the circuit court upheld controversial infant formula regulations promulgated by FDA (Formula, et al. v. Heckler, et al.). In another case, the court ruled in favor of the Government's position that a stipulation providing for a stay of enforcement proceedings was an unreviewable exercise of agency enforcement discretion (Schering Corp v. Heckler).

The Office successfully concluded several suits against large consumer finance companies in which the Government alleged that the manner in which age and income source were considered was impermissible under the Equal Credit Opportunity Act (U.S. v. Fidelity Acceptance Corp.). The Office also concluded a suit against a major real estate development company for credit advertising violations with the imposition of substantial civil penalties and injunctive relief (U.S. v. Hooker Homes, Inc.).

With respect to Consumer Product Safety Commission (CPSC) matters, the Office was aided by a circuit court ruling in its efforts to collect a criminal fine against a firm that had violated the ban on distribution of TRIS-treated children's garments (U.S. v. Troxler Hosiery Co., Inc.). The Office also obtained a permanent injunction to halt the distribution of certain prescription drug vials that were not child resistant (U.S. v. Surf Drugs, Inc.).

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Immigration Litigation.....	40	30	$3,195	40	38	$3,956	51	45	$5,346	11	7	$1,390

Long-range Goal: To protect the interest of the United States by successfully defending challenges to Federal civil immigration programs, policies and initiatives and conducting civil litigation under the immigration and naturalization laws.

Major Objectives:

To prevail in all civil immigration litigation arising under the Immigration and Nationality Act and related laws.

To enforce programs undertaken for the purpose of facilitating the apprehension, detention and expulsion of aliens who lack lawful authority to remain in the United States.

To represent the United States in civil litigation brought against executives of the Immigration and Naturalization Service and other immigration-interested agencies in their official capacities.

To prevail in appellate litigation challenging trial court or administrative decisions in favor of the United States.

Base Program Description: The Office of Immigration Litigation is responsible for handling a wide variety of immigration cases, the most prominent of which include major class actions attempting to halt or otherwise frustrate enforcement of the laws regulating aliens seeking to enter or to remain in the United States. These cases have the potential for severely hampering the ability of the Immigration and Naturalization Service (INS) to enforce the laws enacted by Congress and for weakening the Government's ability to respond to the influx of illegal aliens. Such suits typically involve requests for temporary restraining orders and/or preliminary injunctions, extensive discovery and trial.

Other major areas of responsibility for the Office of Immigration Litigation involve the defense of both petitions for review filed by individual aliens in the courts of appeals to challenge deportation orders and actions brought by aliens in the district courts to attack the circumstances of their confinement and/or orders of exclusion from the United States. These cases often entail claims for political asylum or applications for other forms of equitable immigration relief that have been rejected administratively. Additionally, an increasing number of suits involve Bivens claims seeking monetary damages against the individual Government officials responsible for immigration enforcement.

Enactment of the Immigration Reform and Control Act of 1986 adds defense of all petitions for review and other civil suits arising under the new statutory provisions to the Office's litigation responsibilities. Although most of the changes wrought by the 1986 Act will not take effect until after June 1987, the fact that the employer sanctions and legalization provisions will affect millions of individual aliens and employers suggests that the Act will have a substantial impact on the Office's caseload.

In addition to this workload, the Office represents the United States in continuing litigation arising from the Mariel "boat lift" of 1980, including challenges by detained Cuban aliens and civil collection actions to secure the administrative fines levied against the owners and captains of vessels that brought undocumented aliens into the United States.

Immigration case receipts are expected to nearly triple from 1986 through 1988. The additional remedies and judicial review opportunities provided by the Immigration Reform and Control Act are expected to add significantly to the Office's trial and appellate litigation responsibilities beginning in 1987. Such additional litigation will include the re-briefing of a portion of the presently pending cases involving aliens who wish to seek relief under the new Act, as well as the defense of wholly separate actions challenging the implementation and application of the newly enacted benefits and penalties.

Workload and Accomplishments: The workload of the Office of Immigration Litigation is presented in the following table:

Immigration Litigation	1985 Actual	1986 Actual	1987 Estimate	1988 Estimate Base	1988 Estimate Request
1. Personally Handled					
a. Pending Beginning of Year	666	3,296	933	1,004	1,004
b. Received During Year	3,565	554	908	681	1,429
c. Terminated During Year	935	2,917	837	659	1,045
d. Pending End of Year	3,296	933	1,004	1,026	1,388
2. Received and Referred to U.S. Attorneys	1,604	910	971	1,757	1,009

The Office of Immigration Litigation has five litigating teams, each headed by an experienced trial attorney. The teams are structured to facilitate the provision of support and guidance to both the field offices of the Immigration and Naturalization Service (INS) and to the various U.S. Attorneys' offices. Team leaders and trial attorneys are assigned to serve as counselors to specific districts and circuits to ensure continuing contact on all civil immigration matters. The litigation organization enhances the coordination of related judicial and administrative proceedings throughout the country and better permits the Office to staff pending litigation in accordance with current priorities.

In addition to its responsibility to provide supervision and guidance on all pending immigration litigation, the Office directly handles the most complex and sensitive trial and appellate immigration matters, which frequently raise significant challenges to the nation's ability to control its borders. Notable examples include:

Fernandez-Roque v. Smith and Garcia-Mir v. Smith. This consolidated action in Atlanta challenges the power of the Government to detain Mariel Cubans with a history of antisocial conduct and involves a claim by the aliens that they are entitled to asylum as a persecuted social group. The Office has been quite successful in the Eleventh Circuit, obtaining reversals of district court rulings that would have severely restricted continued detention and barred deportation for all detainees pending reopened administrative hearings on their class-wide asylum claim, and achieving the actual deportation of 201 detainees who were removed before Cuba suspended implementation of the repatriation agreement. In 1986, the Eleventh Circuit ruled that the detainees do not have a "liberty interest" in release on immigration parole arising from the circumstances of the Mariel Flotilla and ordered that the class action be dismissed. The Supreme Court twice has denied the aliens' petitions for certiorari, and the Government's successes have resulted in the dismissal of many of the more than 1,000 individual habeas corpus actions filed by the detainees.

Orantes-Hernandez v. Smith. This class action brought in Los Angeles by Salvadorans challenges the way the INS processes apprehended illegal aliens. The aliens claim that the INS coerces Salvadorans into agreeing to return to El Salvador and to waive their rights to a deportation hearing and their opportunity to apply for asylum. In 1982, the district court entered a nationwide preliminary injunction requiring INS to provide all arrested Salvadorans with a notice that they could seek asylum in the United States. Part of the aliens' claim relates to the human rights conditions prevalent in their homeland. The trial, which began in December 1985 and will continue into 1987, has focused on political violence in El Salvador as well as on INS practices in the United States.

Committee of Central American Refugees v. Meese. This class action brought in San Francisco on behalf of all Salvadoran and Guatemalan aliens challenges the Attorney General's authority to detain aliens at facilities removed from the place of actual apprehension. Preservation of the statutorily delegated discretion on matters pertaining to the detention and removal of unauthorized aliens is critical in light of the large numbers of aliens apprehended and the limited available detention resources. The Office successfully obtained a denial of preliminary injunctive relief both in district court and on interlocutory appeal to the circuit court.

Fazelihokmabad v. INS and Hernandez-Cordero v. INS. A number of circuit courts have demonstrated reluctance to confine review of discretionary administrative decisions to the narrow scope of review mandated by the Supreme Court. The problem is particularly acute in the expanding category of cases in which aliens, while conceding their deportability, have moved to reopen proceedings to apply for discretionary relief based on claims of extreme hardship. Many such deportable aliens seek favorable dispensations after years of defying lawful administrative orders (as in Fazelihokmabad) or solely on the basis that removal to their native country would subject them to a lowered standard of living (as in Hernandez-Cordero). Preservation of the Attorney General's discretionary authority to waive expulsion of statutorily deportable aliens in appropriately extraordinary cases increasingly requires additional appellate litigation, such as petitions for en banc consideration by the full circuit courts (as in Hernandez-Cordero) or for certiorari to the Supreme Court (as in Fazelihokmabad).

Velasquez v. Senko. With increased frequency, district court actions are brought to challenge the methods by which INS seeks to detect and apprehend aliens who have entered or remained in the United States without lawful authority. A number of such suits, such as this California class action challenging joint operations in which the INS supported the service of arrest and search warrants by state and city police, target the relationship between Federal and local law enforcement agencies in an effort to disrupt or discourage cooperative efforts in matters bearing upon aliens. In Velasquez and similar cases, the Office has successfully resisted the demands for injunctive orders restricting such cooperation.

Program Changes: The Office of Immigration Litigation requests 11 new positions and $1,390,000 to handle the influx of new cases anticipated with the Immigration Reform and Control Act. This funding includes $533,000 for Automated Litigation Support (ALS) services.

The enforcement and legalization provisions will trigger enormous caseload increases for the Civil Division as aliens seek to reverse deportation decisions in courts of appeals and challenge the Immigration and Naturalization Service's (INS) denials of interim relief in district courts. The employers sanctions provision will create substantial increases in defensive cases as employers initiate actions challenging search warrants and fine determinations. Affirmative cases will be initiated against a number of employers exhibiting a pattern and practice of hiring illegal aliens. Conservatively, we expect 235 new trial and 513 new appellate cases to emerge in 1988, representing a 39 percent rise in trial cases and a 53 percent rise in appellate cases over the 1986 caseload.

The most significant element of the Division's caseload will be the anticipated statutory and class action challenges to immigration reform. One such case has already been filed — Catholic Services v. Meese — where plaintiffs seek a nationwide injunction that would paralyze INS' ability to control the borders. No provision of the new Act is immune to this type of attack and we can count on similar challenges to employers sanctions and the Systematic Alien Verification for Eligibility (SAVE) provisions. These challenges threaten to undermine the viability of immigration reform unless additional attorneys and support staff are provided.

In addition to personnel resources, the massive volume of the new litigation will necessitate approval of $533,000 in AIS funding to provide:

- Special data bases to track individual litigants, class members and documents during the various stages of litigation.
- A document center staffed by contractor paralegals and clerical personnel to organize documents and support the attorneys in preparing for trials and appeals.

Failure to provide these resources will necessitate the delegation of almost 750 cases to attorneys who lack knowledge of the highly specialized body of immigration law. Weakening the defense of immigration law by forcing cases onto inexperienced attorneys would be counterproductive to the comprehensive reform of the United States immigration law. Unless the required resources for the Office of Immigration Litigation are provided, the fundamental reforms that were 15 years in the making will be nullified.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management & Administration.....	101	104	$5,322	101	104	$6,104	101	104	$6,104	...	...	...

Long-range Goal: Direct the conduct, handling and supervision of all litigation and other matters delegated by the Attorney General to the Civil Division in a fair, successful and consistent manner.

Major Objectives:

To provide executive leadership and maintain effective management while creating a proper balance between central management control and individual attorney autonomy.

To secure, develop, and retain a competent and motivated staff while maintaining a work environment conducive to maximum productivity and effective decision making.

To plan and execute management improvements and support programs and provide administrative and automated litigation support services.

To effectively manage the Division's financial resources.

To develop and present to the Department legislative proposals which are reflective of a preeminent goal to promote the efficiency and effectiveness of the civil justice system.

Base Program Description: As "the Government's lawyer" the Civil Division is responsible for effectively representing over 180 Federal agencies in tens of thousands of cases which present the potential loss to the Treasury of more than $100 billion annually in direct awards, higher program costs or changes in anticipated revenue. Annually the Division handles thousands of court challenges to the statutory and regulatory integrity of the numerous Federal programs established by the Congress, the domestic and foreign policy initiatives of the President and the immigration laws and policies of the United States, and enforces consumer health and safety laws and prosecutes criminal violations of these statutes. The Management and Administration decision unit is responsible for providing Division-wide direction and management of the activities and staff, supervising and administering its operations, advising and assisting in the formulation of the Department's civil justice policies and programs, and providing management and administrative support services to the Division's staff.

Workload and Accomplishments: The workload and accomplishments of the Management and Administration program is the sum of the workload and accomplishments of its branches and offices.

Civil Division				1988 Estimate	
	1985 Actual	1986 Actual	1987 Estimate	Base	Request
1. Personally Handled					
a. Pending Beginning of Year	22,461	23,205	22,174	23,204	23,204
b. Received During Year	11,900	8,593	9,995	8,057	11,840
c. Terminated During Year	11,156	9,624	8,965	8,204	9,592
d. Pending End of Year	23,205	22,174	23,204	23,057	25,452
e. Dollars at Issue (Million)	$127,752	$132,215	$164,519	$184,582	$231,066
2. Received and Referred to U.S. Attorneys	21,014	23,339	26,577	33,038	30,263

The Division's accomplishments during 1986 reached the highest levels of excellence -- both in terms of litigative performance and management improvements. Effective leadership and a dedicated executive and management support team have combined with a staff of able, hard-working attorneys to make possible this outstanding record. The litigative highlights include:

- Remarkable success in major appellate cases with victories in over 83 percent of closed cases;
- A 98 percent success rate in defeating monetary claims -- 4,125 cases involving claims against the Government of $6.9 billion with losses of only $162 million;
- Recovery of $73 million in resolved affirmative litigation; and
- Resolution of 2,699 cases challenging Government initiatives and programs and 177 cases enforcing Federal statutes and programs.

Exemplary management accomplishments extend across a wide range of initiatives. Highlights include the following:

- Over $378 million in cash has been collected and deposited to the Treasury since intensified efforts began in 1981;
- Increased use of the private sector to perform administrative support functions such as mail/messenger services, case docketing, central record management, computer operations, supply services and accounts maintenance has contributed to the reduction of the proportion of total staff devoted to administrative and clerical activities from 43 percent in 1983 to 37 percent in 1986;
- AMICUS, the Civil Division's advanced office automation and communications network system, has been extended to all Civil Division employees; and
- Automated Litigation Support (ALS) has provided support to 33 major litigative efforts involving over 4,000 individual lawsuits including asbestos, WPPSS, radiation, aviation disasters and civil frauds.

Civil Division

Salaries and expenses

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Appellate Pos.	Appellate Amount	Torts Pos.	Torts Amount	Commercial Pos.	Commercial Amount	Federal Programs Pos.	Federal Programs Amount	Immigration Pos.	Immigration Amount	Total Pos.	Total Amount
Grades												
GS/GM-15	9	484	3	161	4	215	7	377	2	108	25	$1,345
GS/GM-14	10	457	4	136	6	275	7	320	4	183	31	1,371
GS/GM-13	3	116	5	194	5	194	1	38	2	77	16	619
GS-12	...	...	...	...	2	65	...	...	...	...	2	65
GS-11	1	27	1	27	3	81	...	...	1	27	6	162
GS-9	1	23	1	23	...	...	5	112	...	...	7	158
GS-7	6	110	4	74	3	56	...	...	2	37	15	277
GS-5	4	66	...	...	...	...	...	...	...	...	4	66
GS-5	...	...	2	30	6	89	...	...	...	...	8	119
Total perm. positions and annual rate	34	1,283	20	645	29	975	20	847	11	432	114	4,182
Lapse (-)	-13	-244	-7	-129	-11	-185	-7	-161	-4	-82	-42	-801
Total workyears and perm. compensation	21	1,039	13	516	18	790	13	686	7	350	72	3,381
Personnel benefits		192		95		146		127		65		625
Travel and transp. of persons		27		102		152		43		170		494
Other services		904		3,030		3,206		411		722		8,273
Supplies		43		18		29		25		15		130
Equipment		126		192		169		121		68		676
Total workyears and obligations, 1988	21	2,331	13	3,953	18	4,492	13	1,413	7	1,390	72	13,579

Civil Division

Salaries and expenses, General Legal Activities

Priority Rankings

Base Program

Program	Ranking
Federal Appellate Activity	1
Torts Litigation	2
Commercial Litigation	3
Federal Programs	4
Immigration Litigation	5
Consumer Litigation	6
Management and Administration	7

Program Increase

Program	Ranking
Federal Appellate Activity	1
Federal Programs	2
Torts Litigation	3
Commercial Litigation	4
Immigration Litigation	5

Civil Division

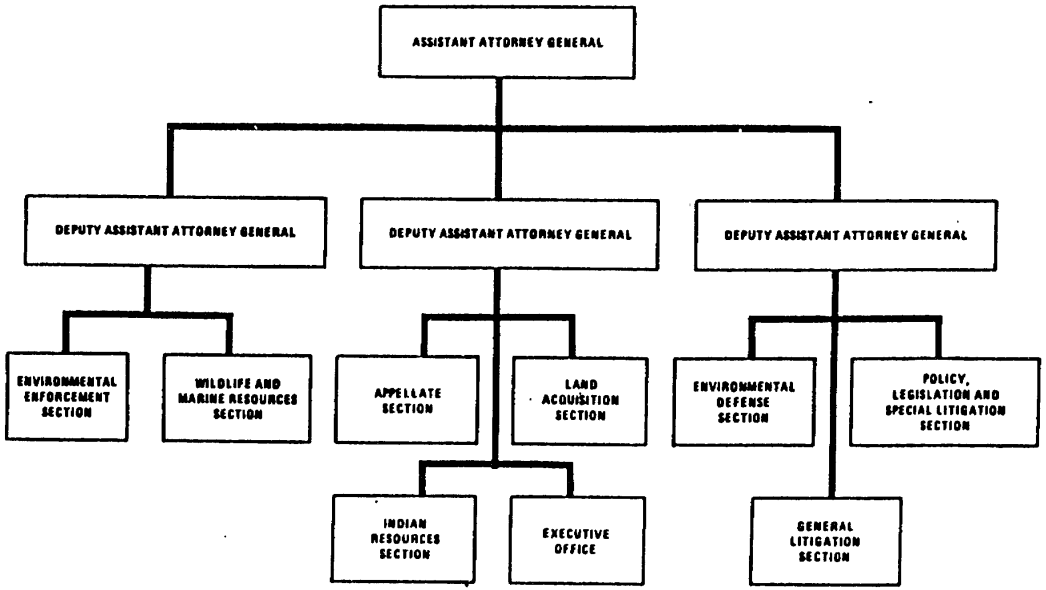
Salaries and Expenses, General Legal Activities

Detail of Permanent Positions by Category

Fiscal Years 1986 - 1988

Category	1986 Authorized	1987			1988	
		Authorized Request	Program Supplemental	Total	Program Increases	Total
Attorneys	449	469	22	491	72	563
Paralegal Specialists	42	48	2	50	8	58
General Administrative, Clerical and Office Services	341	351	10	361	34	395
TOTAL	832	868	34	902	114	1,016
WASHINGTON	774	810	34	844	114	958
U.S. FIELD	57	57	...	57	...	57
FOREIGN FIELD	1	1	...	1	...	1
TOTAL	832	868	34	902	114	1,016

LAND AND NATURAL RESOURCES DIVISION



Approved: Edwin Meese III Date: 27 Feb 86

EDWIN MEESE III
Attorney General

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Land and Natural Resources Division

Salaries and expenses, General legal Activities

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			Reprogrammings			1987 Supplemental Requested				1987 Appropriation Anticipated		
										Program			Pay			
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	FERS	Pos.	WY	Amt.
5. Land, natural resources, and Indian matters																
Federal Appellate Activity	27	28	$1,635	...	...	-$77	...	...	...	...	...	$18	$41	27	28	$1,617
Land Acquisition	34	30	2,426	...	...	-115	...	...	...	...	...	19	45	34	30	2,375
Environmental Protection	145	138	9,938	...	...	-469	...	...	...	...	...	90	205	145	138	9,764
General Litigation	110	111	7,852	...	...	-371	...	...	...	...	...	72	165	110	111	7,718
Management and Administration	33	28	2,494	...	...	-118	...	...	...	...	...	18	41	33	28	2,435
Total	349	335	24,345	...	...	-1,150	...	...	...	...	...	217	497	349	335	23,909

Explanation of Analysis of Changes from 1987 Appropriation Request

Congressional Appropriations Actions

Final congressional action enacted under P.L. 99-500 reduced the President's budget by $1,150,000.

Supplementals Requested

1. The program supplemental request of $217,000 includes $161,000 for increased space charges associated with the move of the Criminal Division to the Bond Building and $56,000 for higher than anticipated Federal Telecommunications System charges.
2. The Pay and Federal Employee Retirement System (FERS) supplemental includes $302,000 for changes in the FERS and $195,000 to meet increased pay requirements in P.L. 99-500.

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Land and Natural Resources Division
Salaries and expenses, General Legal Activities
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	349	335	$23,195
1987 Pay and retirement supplemental requested	...	...	497
1987 Program supplemental requested	...	...	217
1987 appropriation anticipated	349	335	23,909
Transfers to and from other accounts:			
Transfer of Financial and Administrative Systems Support (FASS) group from General Administration	...	...	15
Uncontrollable increases:			
One additional compensable day	...	...	58
Annualization of 1987 Bond Building supplemental	...	...	32
Annualization of additional positions approved in 1987	...	5	200
Annualization of 1987 FERS supplemental	...	...	903
Annualization of 1987 pay supplemental	...	...	345
Within-grade increases	...	...	143
Locality based per diem	...	...	150
GSA rent	...	...	546
GSA recurring reimbursable services	...	...	5
Federal Telecommunications System (FTS)	...	...	32
Telephone service	...	...	31
GPO printing costs	...	...	3
Employee data and payroll services	...	...	19
Audio-visual and media services	...	...	15
General pricing level adjustment	...	...	104
Total uncontrollable increases	...	5	2,586
Decreases:			
Reduction for change in hourly rate	...	...	-55
Reduction for health benefits	...	...	-25
Reduction in per-page cost of Federal Register and Code of Federal Regulations	...	...	-2
Total decreases	...	...	-82
1988 base	349	340	26,428

Estimates by budget activity	1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
5. Land, natural resources and Indian matters	347	333	$20,819	349	335	$23,909	349	340	$26,428	375	363	$32,927	26	23	$6,499

Land and Natural Resources Division

Salaries and expenses, General Legal Activities

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1986 as Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Land, natural resources and Indian matters:																		
Federal appellate activity	27	28	$1,450	27	27	$1,504	27	28	$1,617	27	28	$1,836	27	28	$1,836	...	...	...
Land acquisition	54	49	2,315	54	47	2,362	34	30	2,375	34	30	2,610	34	30	2,610	...	...	...
Environmental protection	132	130	8,461	132	130	8,102	145	138	9,764	145	143	10,740	159	155	15,519	14	12	$4,779
General litigation	93	95	6,924	93	94	6,174	110	111	7,718	110	111	8,588	122	120	10,308	12	9	1,720
Management and administration	41	36	2,278	41	35	2,677	33	28	2,435	33	28	2,654	33	30	2,654	...	2	...
Total	347	338	21,428	347	333	20,819	349	335	23,909	349	340	26,428	375	363	32,927	26	23	6,499
Other Workyears																		
Holiday		...			...			...			...			...			...	
Overtime		5			5			5			5			5			...	
Total compensable workyears		343			338			340			345			368			23	
Reimbursable Workyears		87			87			87			132			212			80	
Total Workyears		430			425			427			477			580			103	

Land and Natural Resources Division

Salaries and expenses, General Legal Activities

Justification of Program and Performance
Activity Resource Summary
(Dollars in thousands)

Activity: Land, natural resources and Indian matters	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity	27	28	$1,617	27	28	$1,836	27	28	$1,836	...	...	...
Land acquisition	34	30	2,375	34	30	2,610	34	30	2,610	...	...	...
Environmental protection	145	138	9,764	145	143	10,740	159	155	15,519	14	12	$4,779
General litigation	110	111	7,718	110	111	8,588	122	120	10,308	12	9	1,720
Management and administration	33	28	2,435	33	28	2,654	33	30	2,654	...	2	...
Total	349	335	23,909	349	340	26,428	375	363	32,927	26	23	6,499

This budget activity includes resources for the Land and Natural Resources Division, for personnel both at headquarters and field locations. Defensive and affirmative environmental litigation, land condemnation, natural resource protection and Indian matters comprise the primary mission of the Division.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity	27	28	$1,617	27	28	$1,836	27	28	$1,836	...	...	...

Long-Range Goal: To defend or assert the government's position in Land and Natural Resources Division cases in the appellate courts.

Major Objectives:

To file appeals from adverse decisions in all cases where appellate review is warranted.
To fully satisfy client agencies by formulating legal positions in the courts of appeals that best represent their interests.
To participate as amicus curiae in selected cases which have a significant impact on the positions and policies of the Division and its client agencies.
To provide the Office of the Solicitor General with initial drafts for those cases in which the unit has had appellate responsibility and which have reached the Supreme Court.

Base Program Description: This unit handles Land and Natural Resources Division cases that are appealed to federal Courts of Appeals or brought to the United States Supreme Court. The appellate program prepares briefs and provides oral argument on virtually all of the Division's cases on appeal. Litigation handled in the decision unit involves a wide variety of cases ranging from highly visible environmental matters to traditional government litigation concerning various federal property interests. For example, the unit is responsible for appellate litigation involving the National Environmental Policy Act, the Resource Conservation and Recovery Act, the Mineral Leasing Act, the Federal Land Policy and Management Act, the Outer Continental Shelf Lands Act, as well as cases pertaining to the federal law of eminent domain, Indian law and water law.

Another function of the appellate unit involves analyzing unfavorable district court decisions and preparing memoranda for the Solicitor General seeking authorization to appeal meritorious cases. This requires the solicitation and evaluation of recommendations regarding appeal from client agencies, trial sections, and United States Attorneys' offices, and is designed to screen from the overloaded courts of appeals those cases which do not warrant appellate review.

The unit also prepares initial drafts of briefs for Division cases which have reached the Supreme Court. This critical service enables the Solicitor General's office to keep pace with its responsibilities; that office freely admits that it could not function without assistance. Moreover, the consistency maintained by this arrangement enables the unit to better serve its client agencies, since draft briefs are formulated by the appellate attorneys most familiar with the facts and the legal issues.

Finally, Division-wide coordination of cases is a unique responsibility of the unit. Because all of the Division's cases on appeal pass through the appellate unit, it is in a position to effect such coordination. Frequently, matters on appeal will affect more than one trial section because of their overlapping legal significance. The unit attorneys, therefore, routinely serve in a clearing house function.

Accomplishments and Workload: The appellate unit has maintained its ability to achieve substantial success in its main objective of appellate advocacy. In a number of high-priority cases the courts have adopted the positions advocated by the unit.

In State of Tennessee v. Herrington, the Sixth Circuit agreed with the argument advanced by the Section and held that the Department of Energy did not have to provide an opportunity for consultation with states before sending to Congress a report it had prepared on sites for a monitored retrievable storage facility for spent nuclear fuel. The court held that the consultation requirement in the Nuclear Waste Policy Act applies only after initial Congressional authorization of the proposal.

In U.S. v. Jones & Laughlin Steel Corp., the Court of Appeals issued a highly favorable decision establishing the parameters under which objections to the settlement of environmental cases will be considered. The court reversed the ruling of the lower court which had refused to approve a settlement negotiated by the Division because provision had not been made to share the civil penalties with the City of Cleveland. Also, the court concluded that the automatic stay of the bankruptcy code, triggered by J&L's filing for bankruptcy, was inapplicable to settlements of environmental enforcement cases because those actions fell under an exception to the automatic stay provisions.

In Dow Chemical v. U.S., the Supreme Court gave the government an extremely favorable decision in a case involving the use of aerial photographs for law enforcement purposes. The court ruled that the use of such photographs need not be specifically authorized by statute, and that the use of commercially available photographic equipment did not constitute a search within the meaning of the Fourth Amendment.

In Suburban O'Hare Commission v. Dole, the Court of Appeals for the Seventh Circuit rejected claims that the Federal Aviation Administration had violated a number of environmental statutes when it approved a massive expansion of the Chicago O'Hare Airport. In its decision, the court adopted all of the Section's arguments and ruled that the FAA had more than adequately satisfied its environmental obligations.

Item	1985	1986	Estimates 1987	1988
1. Cases/Matters pending, beginning of year	841	967	889	909
2. Cases/Matters Received	423	385	420	420
3. Workload Production Estimates:				
a. Cases/Matters Closed	297	463	400	400
b. Briefs Filed	277	304	360	360
c. Oral Arguments	122	123	165	165
d. Memos for Solicitor General	150	160	175	175
e. Substantive Motions	207	121	190	190
4. Cases/Matters pending, end of year	967	889	909	929

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Land acquisition.....	34	30	$2,375	34	30	$2,610	34	30	$2,610	...	...	...

Long-Range Goal: To obtain real property necessary for public purposes through condemnation proceedings which exercise the sovereign power of eminent domain.

Major Objectives:

To secure the lowest possible compensation awards consonant with fairness to both landowners and the government.
To achieve and maintain a current status in the condemnation caseload (i.e., to reduce the pending caseload to the point where the backlog does not exceed annual input and to maintain that balance thereafter).

Base Program Description: By means of the land acquisition program, lands that are needed for Congressionally authorized public purposes, but which requesting agencies are unable to acquire by direct purchase, are obtained through the institution of condemnation proceedings in which compensation is determined and awarded to the property owners. Acquisition by condemnation is a means of last resort; acquiring agencies are required by law, to the greatest extent practicable, to make every reasonable effort to acquire property by negotiation before requesting condemnation. A top priority is to move these high-exposure cases expeditiously and in the best interests of the United States.

The unit condemns land for a myriad of federal public purposes authorized by Acts of Congress. Examples include the improvement and protection of navigable waters, flood control, military facilities, national parks, forests, lakeshores and seashores, scenic and wild river systems, reclamation and irrigation of arid lands in the western states, electric power generation and transmission facilities, wildlife preserves, airports and air traffic control facilities, international boundary stabilization, strategic petroleum reserve storage facilities, nuclear waste storage facilities, and buildings, offices and facilities for federal agencies. Unless the government is able to acquire these lands by an exercise of the power of eminent domain through condemnation proceedings, the public purpose for which the lands are necessary would be frustrated.

Particular cases involving significant monetary exposure include the Redwoods National Park expansion cases in California. These three consolidated cases involve the acquisition of 49,000 acres of redwood timberland for the National Park Service. The government has deposited $358 million as estimated compensation, while owners' claims are about $750 million. Another significant case is the East Lynn Lake project case in West Virginia, an acquisition of 16,286 acres of coal land for the Corps of Engineers. The government has deposited $4.7 million against the owner's claim of approximately $50 million. In a case in Texas involving the acquisition of 243 acres for the Department of Energy's Strategic Petroleum Reserve project, the government deposited $11.1 million, and faces claims of $35 million.

The following legislation and Department orders authorize and support this program:

(1) 40 U.S.C. 257 - requires the Attorney General to file and prosecute condemnation actions to acquire lands for federal public purposes.

(2) 40 U.S.C. 255 - requires the Attorney General to issue an opinion as to the sufficiency of title to land for the purposes for which the property is being acquired, in direct purchase acquisitions.

(3) Subpart M, Chapter I, Section 0.65, Title 28, Code of Federal Regulations -- contains assignment from the Attorney General to the Assistant Attorney General of the Land and Natural Resources Division of the matter set out in (1) above.

(4) Subpart M, Chapter I, Section 0.66, Title 28, Code of Federal Regulations -- contains assignment from the Attorney General to the Assistant Attorney General of the Land and Natural Resources Division of the matter set out in (2) above.

(5) Manual of Organization, Operations and Procedures, Land and Natural Resources Division, Part I, Section B.5(b) - delegate to this decision unit authority to conduct the prosecution of all federal condemnation proceedings.

(6) 40 U.S.C. 258(a) - Declaration of Taking Act -- authorizes the vesting of immediate title and possession to the United States.

Accomplishments and Workload: In 1986, the Land Acquisition Section handled claims of over $450.8 million for property which government appraisals valued at $62.5 million. This difference of $388.3 million was the critical issue in the Section's lawsuits. During this fiscal year, courts have awarded judgments in these cases totaling $102.7 million, representing a savings of $348.1 million achieved by the decision unit. By comparison, the savings achieved in 1984 totaled $59 million and in 1985 totaled $241 million. The amount of money at issue in the currently pending tracts is over $1.3 billion dollars -- the difference between the landowners' known claims of $2.01 billion and the government's appraisals of $629 million. (Landowner claims are unknown in 55 percent of the pending cases.)

For the three years prior to 1986, the number of tracts received from the National Park Service had been small, but with the advent of the Protection Island Project in Washington State, the unit saw 71 percent more work in 1986 than anticipated. The unit's other major client, the Corps of Engineers, anticipates that land acquisition will continue at current levels. The estimate of tracts closed is expected to remain at the decreased level through 1987. The decrease is due to the near completion of the Big Cypress National Preserve project in Florida. This project alone generated over 12,000 tracts in the last eight years through its large-scale settlement program and mass trials.

Two workload indicators have been added to cover the efforts of the Title and Appraisal Units. The principal duty of the Title Unit is to review the sufficiency of title in direct purchase acquisitions, a function mandated by 40 U.S.C. 255. The Appraisal Unit is responsible for both desk and field appraisal reviews.

	1985	1986	Estimates 1987	1988
Tracts pending, beginning of year	8,720	6,594	6,312	5,612
Tracts Received	895	1,727	1,000	1,000
Tracts Closed	3,021	2,009	1,700	1,700
Tracts pending, end of year	6,594	6,312	5,612	4,912
Title Unit				
Preliminary opinions of title prepared	179	161	180	180
Final opinions of title prepared	247	100	150	150
Agency delegated title opinions reviewed	1,548	2,131	1,500	1,500
District court title hearings (tracts)	0	0	5	5
Appraisal Unit				
Appraisal reviews (tracts)	854	824	850	850
Performance Estimates				
Percentage by which judgments exceeded government's conceded liability	16%	64%	21%	21%
Percentage of total dollar claims in excess of conceded liability saved	95%	90%	93%	93%

Actual Performance Data Expressed in Dollars:	1985	1986
Owner's "claims"	$331,993,000	$450,807,000
Government's "conceded liability"	78,295,000	62,505,000
Judgments	90,929,000	102,678,000
Amount by which judgments exceeded conceded liability	12,634,000	40,173,000
Claims in excess of conceded liability	253,699,000	388,302,000
Amount saved	241,064,000	348,129,000

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Environmental protection	145	138	$9,764	145	143	$10,740	159	155	$15,519	14	12	$4,779

Long-Range Goal: To successfully conduct the enforcement litigation necessary to achieve pollution, hazardous waste and radiation standards mandated by Congress. To investigate and prosecute criminal violations of the nation's environmental

laws, particularly in the area of hazardous waste dumping. To defend agencies of the United States sued in connection with regulatory and other activities affecting the environment and public health. To reduce illegal international trade in wildlife, fish and plants by prosecuting criminal violators of the United States' wildlife and Customs laws, and to provide quality representation to federal agencies in defense of wildlife management and related regulations and programs.

Major Objectives:

To conduct effectively the enforcement litigation cases which are referred to the Lands Division by federal agencies.
To implement a successful enforcement program to maintain voluntary compliance among all regulated industries and induce privately-financed clean up of existing hazardous waste dump and storage sites and to abate certain radiation hazards.
Coordinating and working closely with state and local enforcement agencies, to handle collateral suits to allow agency enforcement programs to operate effectively and without undue delay.
To maintain the rational, coherent operation of agency programs through sustaining agency actions in court.
To bring suits against corporate violators on a national basis when this is more efficient and effective than dealing with their pollution problems on a regional basis.
To obtain a large portion of monetary and injunctive relief sought in cases brought by this unit.
To increase criminal prosecution of serious environmental offenses.
To recover monies spent by or on behalf of federal agencies for damages to natural resources within their control.
To create a capability for and an atmosphere conducive to negotiated settlement of disputes where such an approach can provide swifter and more certain relief, and ease the courts' litigation burden.
To defend client agencies' rules and regulations in order to uphold agency discretion and the integrity of those agencies' programs.
To defend client agencies whose facilities and activities are the subject of environmental litigation initiated by states, municipalities, or private individuals and organizations.
To handle suits to enforce agencies' information requests necessary for effective and timely program operation.
To sustain administrative orders and permits issued by client agencies in furtherance of the agencies' programs and mandates.
To improve enforcement of laws relating to trade in wildlife, fish and plants.
To coordinate and conduct investigations, and successfully prosecute major commercial dealers illegally trafficking in wildlife, fish or plants.
To seek and obtain stiff penalties and incarceration for persons who engage in illegal wildlife or plant trade.
To supply quality representation to client agencies and litigative support necessary to defend the administration of civil programs affecting wildlife, fish and plants.
To revise and improve wildlife forfeiture procedures.

Base Program Description: The Environmental Protection program is comprised of the Environmental Defense, Environmental Enforcement and Wildlife and Marine Resources Sections. The Environmental Defense Section's major clients are the Environmental Protection Agency, the Army Corps of Engineers and the Coast Guard. The Section also is responsible for representing all Federal agencies sued for violations of federal, state and local laws governing the abatement and control of pollution.

Litigation on behalf of EPA comprises the major portion of the Defense Section's workload, and is divided between cases filed in the courts of appeals and district courts. The cases in the courts of appeals typically involve challenges to: 1) EPA rules and regulations promulgated under various statutes such as the Clean Air Act, Clean Water Act and Resource Conservation and Recovery Act; 2) EPA's approval or disapproval of programs delegated to the states for implementation pursuant to federal statutes (e.g., approval of state plans to control air pollution and water storage); and 3) grants or denials of individual permits to engage in certain activities (e.g., permits to discharge pollutants into waters of the United States). All petitions for review in the courts of appeals are handled by attorneys in this Section; there is no involvement by United States Attorneys. The vast majority of district court litigation also is handled by Section attorneys, due primarily to the specialized nature of the district court work.

Litigation conducted on behalf of the Corps of Engineers involves both defensive cases in the district court, in which a party challenges national regulations or permits issued by the Corps, and enforcement actions in which the government prosecutes a party for violations of the statutes administered by the Corps, including the control, abatement and reduction of unauthorized dredging and filling in the navigable waters of the United States. All litigation for the Coast Guard takes place in the Claims Court. The Clean Water Act provides that the owner or operator of a facility from which a hazardous substance has been discharged may sue the United States for cleanup expenses under certain circumstances. Since the Coast Guard has the responsibility for investigating spills from facilities, it is regarded as the client agency. These cases are handled exclusively by Section attorneys on behalf of the United States.

The final category of defensive litigation involves federal agencies charged with violations of federal, state, or local laws governing the abatement and control of pollution. Although cases involving the Department of Defense and the Department of Energy constitute the majority of the cases on the docket, a wide variety of agencies have been represented, ranging from the Veterans Administration to the Federal Reserve Bank. These "federal facilities" cases are enormously complex, highly technical and involve massive potential monetary exposure. The need for close coordination with client agency management and the extremely time-intensive process of factual review, research, scientific analysis and legal strategy development dictate that "federal facilities" cases be litigated by Environmental Defense Section staff.

The Environmental Enforcement Section conducts litigation to support the control, abatement and reduction of pollution to the nation's air and water resources; the abatement and control of hazardous waste dump sites; the regulation and control of pesticides and noise; the regulation of toxic and hazardous substances; and miscellaneous matters pertaining to nuclear power. This program entails both civil litigation on behalf of our client agencies, principally the Environmental Protection Agency, the Army Corps of Engineers, the Coast Guard, the Departments of the Interior, Defense, Commerce, and Agriculture, the Federal Emergency Management Agency, and the Nuclear Regulatory Commission, and criminal litigation under the various pollution control statutes. The primary statutes enforced include the Clean Air Act (CAA); the Clean Water Act (CWA); the Resource Conservation and Recovery Act (RCRA); the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or Superfund); the Safe Drinking Water Act (SDWA); the Toxic Substances Control Act (TSCA); and other miscellaneous environmental statutes including the Rivers and Harbors Act; the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA); and the Uranium Mill Tailing Radiation Control Act (UMTRCA).

Civil cases are referred to the Section by client agencies, which are responsible for initial case investigation and development and for determining the appropriate technical remedy. A Section attorney acts as lead counsel for the government, which involves devising case strategy, and litigation planning, management, and execution. Cases typically involve significant discovery and motions practice. Under the Clean Air and Clean Water Acts, civil actions seek either injunctive relief or civil penalties for violations. The RCRA regulatory program, which requires producers of hazardous waste to dispatch wastes only to facilities with operating permits, may be enforced through an administrative hearing process or through litigation in the federal courts.

For many hazardous waste sites, the government is either the owner of the site or has been a significant generator of hazardous waste. These sites have been handled in either of two ways. If the agency has used its own funds to clean up the site, the Section will commence an action for recovery of the government's costs against other responsible parties under Superfund. In other instances the Section has, on behalf of the agency, commenced an action for injunctive relief, cost recoupment and/or damage to natural resources utilizing Superfund and state common law claims.

The Wildlife and Marine Resources Section handles civil and criminal litigation to halt the growth of illegal wildlife and plant trade. The total value of illegal trade in wildlife is estimated at $50 to $100 million each year. Most of this trade is accomplished through falsification of the documents that must accompany wildlife imports. A lesser but still substantial percentage of the trade is accomplished through smuggling. Profits are staggering; for example, as demonstrated by a recent international enforcement action, certain types of falcons purchased illegally in the United States for $10,000 sell for up to $100,000 in the Middle East.

Violations of wildlife laws often involve complex interstate and international investigations, and are treated as major "white collar" crimes, meriting substantial criminal penalties. Among the statutes under this activity's jurisdiction are the Endangered Species Act, Lacey Act, Fishery Conservation and Management Act, Marine Mammal Protection Act, Airborne Hunting Act, Migratory Bird Treaty Act, Bald and Golden Eagle Act, the Marine Protection Research and Sanctuaries Act, and the custom laws. The Section also has the important responsibility of representing the Federal Government in many civil actions arising under the nation's wildlife laws. Actions under these laws often affect projects of major economic and environmental importance to the nation, such as oil refineries, dams, mineral leasing activities and real estate developments.

Accomplishments and Workload: The Environmental Defense Section was extremely successful in protecting EPA's discretion to issue regulations that take into account both the costs of compliance and the technical feasibility of controlling pollution. In NRDC v. EPA (D.C. Cir.), the court decided that EPA is free to consider cost and feasibility when it regulates emissions of vinyl chloride, a hazardous air pollutant. Environmental groups urged that the Clean Air Act requires EPA to regulate without regard to cost or technical feasibility. The court's rejection of this argument sets a major precedent that will assist EPA in addressing numerous other hazardous air pollutants.

Another significant victory involved litigation over "acid rain" in Thomas v. New York (D.C. Cir.). Several northeastern states and environmental groups filed suit against EPA, claiming that the Agency was required to control emissions because of a letter issued during the previous Administration. That letter stated that emissions from the United States were contributing to "acid rain" in Canada. We argued that the "findings" reflected in the 1981 letter could not bind a successor Administrator to take regulatory action with substantial impact on sources in the upwind states. The court agreed, noting that there was no opportunity for public comment on the original letter. Thus, EPA remains free to address the "acid rain" issue based on its current assessment of the situation.

In the area of wetlands enforcement, the Section achieved a highly favorable result in U.S. v. Cumberland Farms (D. Mass.). Cumberland converted nearly 700 acres of the Great Cedar Swamp in Massachusetts to agricultural use without applying to the Army Corps of Engineers for a permit. In a sweeping opinion, the district court ordered full restoration of the property and imposed a civil penalty of at least $150,000 for the violations. The opinion also emphasizes the importance of wetlands in maintaining water quality and providing wildlife habitat.

Still another major victory occurred in the area of federal facilities defensive litigation. McClellan Ecological Seepage Situation v. Weinberger (C.D. Cal.), involved alleged violations of certain environmental laws at McClellan Air Force Base in California. Plaintiffs, a group of concerned local residents, sought hundreds of millions of dollars in civil penalties from the U.S. Treasury. Judge Ramirez adopted our arguments that the United States is not subject to civil penalties for these violations because there has been no waiver of sovereign immunity for civil penalties. This was a case of first impression, and the decision will save the Treasury billions of dollars in future cases.

The Environmental Enforcement Section's major accomplishments are best represented by a review of some of the significant litigation recently concluded. During the past three years, the Section's annual civil case referrals have more than doubled, while the pending caseload has climbed by 45 percent. Actual workload has consistently exceeded our estimates. In the criminal docket, 147 referrals led to 187 indictments during the same three-year period. The Environmental Crimes Unit obtained 136 convictions, fines of more than $2.8 million, and jail sentences totaling more than 130 years. These workload statistics are indicative of the unprecedented levels of activity in the Environmental Enforcement Section.

In 1985 the Section successfully tried a major penalty action under the Clean Air Act against the St. Joe Minerals Corporation. Following trial the company agreed to a finding of liability and a $12.2 million penalty for violating sulfur dioxide emission rules. The Section was also successful in concluding several difficult enforcement cases aimed at curbing volatile organic compound emissions, which contribute to the nation's ozone problems. Among these was an action against Smurfit Diamond Packaging, which resulted in injunctive relief valued at over $800,000 and a $120,000 penalty. Finally, the Section continued its efforts to vigorously enforce the National Emission Standards for hazardous air pollutants. The Section expanded its enforcement of asbestos and vinyl chloride violations, and has initiated enforcement actions related to benzene violations. In U.S. v. Occidental Chemical Corp., for example, the defendant has agreed to pay a $490,000 civil penalty and to undertake a comprehensive compliance program.

The Section vigorously pursued several Clean Water Act cases against significant municipal violators, and resolved a major action against the City of Los Angeles. In that settlement the City agreed to undertake a substantial remedial program to eliminate discharges into the ocean and Santa Monica Bay and to pay a $625,000 civil penalty. Several Clean Water Act enforcement actions against industrial violators were also resolved in 1986. In U.S. v. Phelps Dodge, for example, the company agreed to install an $8 million run-off control system to abate unpermitted copper mining run-off and to pay a $1 million penalty.

The Section continued to pursue its growing hazardous waste docket, and in 1986, the Section initiated actions to enforce the loss of Interim Status provision under the Resource Conservation and Recovery Act. In several of these actions the Section sought preliminary injunctive relief and was successful in bringing violators into compliance. For example, in U.S. v. CCCI, the violator agreed to cease operations as required by RCRA. The Section also successfully concluded a number of complex CERCLA matters, including U.S. v. Reilly Tar, in which the defendants have agreed to implement a $50 million remedy at a site outside of St. Louis Park, Minnesota and U.S. v. Western Processors, in which the defendants have agreed to implement a remedy valued at over $40 million to abate a site near Seattle, Washington.

Program Changes. Defensive and affirmative environmental protection litigation reflect the Attorney General's highest priorities, and take precedence over all other programs in the Land and Natural Resources Division. However, the environmental caseload will grow by an unprecedented 400 cases by 1988 as a result of new programs under the Resource Conservation and Recovery Act, Safe Drinking Water Act, and the Clean Air and Water Acts. Within this initiative are four major objectives: 1. Defense of agency programs which promote environmental protection without undue economic costs; 2. Protection of the federal fisc from multi-billion dollar environmental damages claims; 3. Swift action to remove imminent threats to public health and safety and collect appropriate penalties and fines; and 4. Promotion of voluntary private compliance with environmental regulations to avoid costly federal intervention. These objectives are accomplished through vigorous defense of regulatory discretion, by well-planned litigation to defend multi-billion dollar "federal facilities" damages claims, through aggressive use of the law to force pollutors to clean dangerous toxic waste dumps and to meet federal standards for air and water pollution, and by the imposition of stiff criminal and civil penalties against those who destroy our Nation's resources.

In a range of areas, major new litigation without any current precedent will emerge in 1988, based on a host of newly enacted statutory provisions and citizen suits. The fundamental role of a government is the protection of its citizens, yet the government's ability to set forth balanced, rational environmental regulations to protect public health and safety is endangered by a constant barrage of legal challenges resulting from brand new statutory requirements and causes of action. Both ends of the industrial-environmental continuum raise objections to virtually every rule promulgated by the Environmental Protection Agency (EPA) to the point where the process of implementing most regulations involves extensive litigation as a matter of course. In the Environmental Defense Section of the Land and Natural Resources Division, defense in judicial review of EPA regulatory programs constitutes a major portion of the growing caseload. The assault on agency decisions arises in virtually all major litigation ranging from legal challenges to individual permits to discharge pollution all the way through petitions for review of entire regulatory schemes. Another key element of this litigation is that environmental regulations, unless soundly administered, can cost the economy billions of dollars per year, and the Department of Justice plays a critical role in defending approaches that minimize cost. The influx of regulatory review litigation has not abated despite far-reaching

Supreme Court victories such as our defense of the "bubble theory" (which is estimated to save over $1 billion annually without any adverse impact on pollution levels). With the 1984 amendments to the Resource Conservation and Recovery Act, and the subsequent need for new or revised rules and regulations, the demands on Division lawyers have greatly increased. Currently, EPA's programs under 10 complex statutes encompass more than 10,000 pages of technical scientific regulations. The average length of time to litigate these cases has jumped from 2-1/2 to 3-1/2 years since 1982, due in part to continued scientific uncertainty surrounding EPA's programs, and in part to the growing sophistication and dedication of resources by opponents. Environmental Defense Section lawyers alone now contribute over 12,000 hours of uncompensated overtime, equivalent to six FTE attorney positions, and yet the backlog of cases continues to grow. This extraordinary pressure on the staff has led to alarming turnover, such that 50 percent of the Section's lawyers have only one year's experience or less with the Division.

The Lands Division's defense of a myriad of new environmental programs, regulations and causes of action will have enormous impact on major American industries and the Nation's economy. Entirely new programs under the Resource Conservation and Recovery Act, Safe Drinking Water Act, and the Clean Air and Water Acts will generate hundreds of cases in the next two years. Under the recent amendments to the Resource Conservation and Recovery Act, over 30 entirely new regulatory programs and over 60 deadlines will produce at least 100 major new cases in 1988. Final regulations under RCRA will be challenged by dozens of parties including the oil, chemical, steel, paper and textile industries, as well as states and environmental groups, yet the 1986 baseline of RCRA cases is negligible. Under the amendments to the Safe Drinking Water Act signed by President Reagan June 19, EPA has new deadlines to regulate some 85 new chemicals in potable water. Many of these deadlines will be missed, and the final rules will be challenged because of the extremely high compliance costs on municipalities, creating 100 new drinking water cases in 1988. Again, the 1986 baseline under the SDWA is near zero. Under the Clean Air Act, at least 27 cities expect to miss the December 1987 compliance date for ozone emissions, generating 100 new air pollution cases as city governments and local industries turn to litigation for relief. As EPA imposes sanctions, these cities and their major industries will sue, yet if EPA does not impose sanctions, environmental groups will sue. The second round of permits under the Clean Water Act will be completed during 1987. Thus, thousands of industrial sources will soon receive permits requiring "Best Available Technology" (BAT) treatment which necessitates a significantly higher compliance costs. At least 100 new BAT suits will arise in the next two years.

The Environmental Defense Section also defends the public fisc in cases alleging environmental damage at federally owned or operated facilities. Over $5 billion in potential liability to the American taxpayers is at stake in cases currently on the docket, but this figure is growing exponentially as federal agencies complete initial inventories of hazardous sites, and could easily top $15 billion by 1988. Public and congressional awareness of the problem is increasing as the media enlarges its coverage of alleged federal environmental damages such as the recent reports on the Aberdeen Proving Grounds. These new federal facility cases are radically different from suits brought against federal agencies in the past that typically sought compliance with state emissions limits or permitting programs. In sharp contrast, these new federal facilities cases focus on past waste disposal practices extending back to the 1940s. Because most of the lawsuits affect vital ongoing military operations or nuclear facilities of the Department of Energy, the strategic importance of this litigation is further heightened. Current federal facilities cases pose liability of over $5 billion, yet government exposure in this area could climb above the $15 billion mark in 1988. Lawyers on these cases today work overtime equivalent to more than one extra full day each week, yet federal facilities case filings in 1988 will jump 150 percent over the 1986 level. The return on investment in this area involves cost avoidances which could easily amount to $1 billion in 1988 alone.

Swift action by government to protect its citizenry from imminent and potential threats to health is a priority Administration initiative. However, without voluntary private compliance, taxpayers could be faced with multi-billion dollar cleanup costs in the future. The Department's leadership role in this effort cannot be maintained without adequate resources, and the alternative is leaving essential enforcement leadership to EPA. Civil enforcement of the Resource Conservation and Recovery Act and the Clean Water Act also are top priorities in 1988, and both have potentially major impact on the economy. Under RCRA, operating waste disposal sites must be kept in compliance since adequate enforcement of RCRA can prevent the need for future superfunds. Since the average remedial cost at Superfund sites is now over $10 million, it is much more cost effective to enforce RCRA guidelines now. Similarly, the federal government has invested over $30 billion through grants for the construction of publicly-owned treatment works. In 1988, EPA predicts that 450 of these major municipally-owned plants will be in violation of treatment standards. Our actions to enforce the Clean Water Act are vital to ensure that the plants which the taxpayers have built are maintained and not allowed to be ruined by pre-treatment violations. The return on investment is dramatic in this program which is self-financing many times over. Affirmative environmental litigation provides an excellent, direct return on investment: over four dollars will be returned for each dollar spent in 1986. This figure does not include Superfund results, which are far more dramatic.1/ Penalties collected in 1985 under the Resource Conservation and Recovery Act, Clean Air Act, and Clean Water Act amounted to $15 million, and are projected at more than $21 million in 1986. Fines imposed in criminal cases will more than double, from a half million in 1985 to more than $2 million in 1987. In December of 1986 alone, we recovered $1.8 million in two criminal cases. In the past five years, the caseload in this unit has soared, especially in relation to staff size. The average number of personally handled active enforcement cases per lawyer has doubled since 1981. In addition, RCRA enforcement reduces the need to spend Superfund tax dollars on government cleanup. Without additional staff many such financially attractive law enforcement cases simply could not be pursued.

Similarly, the swift application of criminal penalties against willful pollutors is one of the most visible and cost effective means to promote voluntary compliance with environmental regulations. This serious, burgeoning area of white-collar crime has been met with outstanding results and public support since the establishment of investigatory units within EPA and the FBI, and the Environmental Crimes Unit in the Lands Division. However, the remarkable achievements of the past five years have increased the size and scope of the program to the point that case referrals doubled in the last year, and prosecutors cannot keep pace with the investigations now underway. As EPA expands its criminal program to include small-quantity generators, and the FBI increases its investigatory efforts, Division staff must increase as well.

The ultimate success of the government's environmental programs depends on voluntary compliance. Through the swift and aggressive application of criminal and civil sanctions, the Division sends a message to potential pollutors that short-term savings gained through violation of pollutant limits are not cost effective when they are offset by fines, penalties, jail

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1/ Superfund cases are not funded by the General Legal Acitivities appropriation, but do give another perspective on the potential returns from civil and criminal enforcement actions. Since the beginning of 1983, cleanups valued at well over $400 million have been obtained. Including Superfund and non-Superfund cases, then, the Environmental Enforcement Section since 1983 has returned over 21 dollars for each Division dollar spent.

sentences and the attendent publicity. This Administration has reason to boast about the successes of the Environmental Crimes program, established in 1981. Both EPA and the FBI have dedicated resources to the investigation of these serious white-collar crimes in which corporate entities willfully dump hazardous materials and endanger human health. From Oregon to Florida, jail sentences have been meted out and dangerous toxic wastes removed as a direct result of this effort. By 1988, the focus of criminal investigations will be broadened to encompass small-quantity generators of waste, marking a coming of age of this program.

While the majority of hazardous waste enforcement is funded through the EPA Superfund program, a significant new group of actions involving non-EPA clients has arisen. One enforcement action, filed on behalf of the Army to recover from Shell Oil cleanup costs at the Rocky Mountain Arsenal, is illustrative. Over a 40-year period, Shell pesticide manufacturing operations and Army chemical weapons activities have caused massive, widespread contamination of the soil and groundwater at the Arsenal. Many estimates of the costs of cleaning up the Arsenal alone exceed $1 billion. Preparation for the first phase of trial on liability in this case has already required a team of 20 lawyers and over $3 million in automated litigation support costs paid by the Army. The Remedial Investigation/Feasibility Study, a scientific analysis to determine the technical remedy needed at the site, will not be completed until mid-1987, when the trial will begin. Over one million pages of documents from 10 nationwide locations already have been screened and microfilmed, and work continues on expert depositions and privileged issues. The Army has funded automated litigation support through 1987, however, when the trial begins, litigation support costs will be the responsibility of the Department of Justice. For this case alone, $3.1 million is requested to continue litigation support efforts through the final trial.

			Estimates	
	1985	1986	1987	1988
Environmental Enforcement				
Cases/Matters Pending, beginning of year	767	853	1,047	1,297
Cases/Matters Received	301	620	650	750
Cases/Matters Closed	215	426	400	500
Cases/Matters Pending, end of year	853	1,047	1,297	1,547
Environmental Defense				
Cases/Matters Pending, beginning of year	1,341	1,242	1,248	1,308
Cases/Matters Received	270	314	465	550
Cases/Matters Closed	369	308	405	475
Cases/Matters Pending, end of year	1,242	1,248	1,308	1,383
Wildlife & Marine Resources				
Cases/Matters Pending, beginning of year	525	577	544	544
Cases/Matters Received	252	322	300	300
Cases/Matters Closed	200	355	300	300
Cases/Matters Pending, end of year	577	544	544	544
Totals				
Cases/Matters Pending, beginning of year	2,633	2,672	2,839	3,149
Cases/Matters Received	823	1,256	1,415	1,600
Cases/Matters Closed	784	1,089	1,105	1,275
Cases/Matters Pending, end of year	2,672	2,839	3,149	3,474

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
General litigation.....	110	111	$7,718	110	111	$8,588	122	120	$10,308	12	9	$1,720

Long-Range Goal: To defend and promote the public interest in federal land, water and mineral programs; to defend those programs from challenges; to effectively represent Indians and Indian tribes where the United States is trustee; and to review and comment on pertinent legislative initiatives.

Major Objectives:

To successfully defend challenged federal programs and policies affecting the management and protection of public lands, water, minerals and the Outer Continental Shelf.
To defend taxpayers against monetary claims involving federal lands, resources, and the environment.
To effectively represent the interests of Indians and Indian tribes where the United States is trustee, especially in water rights cases.
To defend the government from monetary claims made by Indians and Indian Tribes.
To monitor and evaluate legislative proposals relevant to the Division's programs.
To coordinate with state and local governments on environmental matters.
To respond to Congressional and citizen inquiries and requests under the Freedom of Information Act.
To provide legal counsel to the Assistant Attorney General and to client agencies, to file amicus curiae briefs as requested, and to provide litigation support in emergencies.
To track and evaluate citizen enforcement actions to assure consistency with law and governmental enforcement policy.

Base Program Description: Over the past 20 years, Congress has enacted numerous statutes designed to balance economic growth with environmental protection. These statutes require federal managers to evaluate proposed projects, and in some cases include virtually every agency of the federal government. The decisions of government agencies and officials have consistently been challenged in recent years by individuals, organizations, business entities and political jurisdictions. Suits have been filed by groups on both ends of the conservation-development continuum, using provisions of environmental statutes such as the Endangered Species Act and the National Environmental Policy Act to thwart federal policies and programs. The defense of federal prerogatives in this area is the primary mission of the General Litigation decision unit.

Litigation relating to mineral resources is one of the important responsibilities of the unit. Leasing federal lands for oil, gas and mineral development generates considerable controversy, yet mineral leasing is a significant source of federal revenues. Environmental groups and some states have sought injunctions using provisions of the Coastal Zone Management Act, the Endangered Species Act, the Outer Continental Shelf Lands Act and the National Environmental Policy Act to challenge individual offshore leasing plans and the leasing program as a whole. Other states are not opposed to offshore drilling for environmental reasons; their lawsuits seek a share of the proceeds.

Water rights litigation is another area of concern. The government must advance water rights claims for federal properties and programs such as military reservations and national parks and forests. Water cases handled by the unit are generally expensive and protracted, and because the rights to entire stream systems are usually decided at one time, often involve over a thousand competing claims and years of judicial proceedings before a final decision is rendered. In western states where water supplies are extremely limited, federal claims to water rights are a particularly sensitive issue. The Department of the Interior has made clear its desire to yield to the states in water adjudications, and as a result, most water rights are adjudicated in state rather than federal courts. This occasionally leads to complications. For example, a decision by California's Supreme Court expanded the "public trust" doctrine, allowing the state to change its mind if future circumstances afford a more beneficial use for allocated water. While water rights obtained in federal courts are probably outside the scope of this case, federal rights gained in state proceedings may not be so secure. Recently, government opponents have used the Equal Access to Justice Act to seek attorney's fees in water rights cases, thus raising the taxpayer's ante in the water rights arena.

The program also is responsible for the bulk of public land law at the national level. Offshore boundary disputes with coastal states, involving tracts known or suspected to be rich in minerals, are litigated in the Supreme Court as original actions. Under the terms of the Submerged Lands Act, negotiated settlements are impractical, leaving only litigation to resolve these disputes. Title disagreements under the Quiet Title Act also are litigated by the decision unit. In onshore public lands cases, policies allowing timber development and grazing on federally-owned land have been challenged by industry and environmental groups alike. Efforts to dispose of excess public lands have been met with suits by parties opposed to the way in which the lands will be used after sale. Inverse condemnation suits, in which landowners assert that the government has effectively if inadvertently condemned their lands, continue to plague the military agencies in particular, exposing the taxpayers to enormous potential liability.

Another mandate of this program is the Alaska Native Claims Settlement Act, which was passed in 1971 and established a fund of money and land to be distributed to Alaskan natives in exchange for extinguishing aboriginal claims against the United States. Extensive litigation has arisen out of this complex statutory scheme for registration of natives, establishment of village and regional corporations, selection and distribution of the land and distribution of the money. The decision unit has established a small field office in Anchorage for this litigation.

The United States has established trust relationships with various Indians and Indian tribes through a myriad of treaties, statutes and Executive orders. Under these authorities, the government is obliged to perform a number of functions on behalf of these tribes, including litigation to defend their rights. The Indian Resources Section of this decision unit handles these cases, the most important involving water rights. Many Indian reservations lie in the arid portions of the country where competition for water is fierce, and tribal rights to water must be established before reservation lands can be developed. Over 50 million acres of reservation lands, and the rights to major water systems in dry western states are at stake. Other cases in which the government represents the interests of Indians involve the establishment and protection of hunting and fishing rights, and suits to answer questions about tribal rights to self-determination.

On the other hand, the Division responds to claims by Indians and Indian tribes that they are due compensation for government mistakes in administering Indian programs. These cases pose an estimated exposure to the taxpayers of over $2 billion. Congress has consistently recognized a need to rectify bona fide errors, and the Indian Claims Commission Act of 1946, together with current jurisdictional grants, provides a vehicle for Indians and Indian tribes to apply for monetary restitution. Under the Act, claims filed prior to 1951 are not subject to the usual statute of limitations. Although most of the claims under the Act have been terminated, a 1983 Supreme Court decision has led to increased litigation posing challenges to contemporary government management. The Division reorganized the General Litigation decision unit to consolidate within the General Litigation Section all defensive Indian lawsuits during 1986.

Finally, responsibility to review and comment on legislative proposals for the Division's programs rests in the Policy, Legislation and Special Litigation Section of this program. Over 40 new environmental laws were enacted during the decade of the seventies, and many of these complex and far-reaching statutes are nearing reauthorization. Many other environmental statutes are the subject of new legislative proposals, which benefit from analysis by the Division. After a bill is passed by Congress, the Section's responsibility involves analysis of new issues related to the implementation of the law, particularly in the first three years when few court decisions exist to give guidance on ambiguities that result from changes in laws. Complete screening of new legislation insures that the Division has detailed information in hand concerning the legislative history for use in litigation which arises after a bill becomes a law. Coordination between the various federal, state and local government agencies involved with environmental concerns and the conservation and development of natural resources is also within the purview of the decision unit, as is the initial development of Division policies in these areas.

Accomplishments and Workload: Biotechnology is a new and rapidly developing area of science involving many federal agencies (e.g., Environmental Protection Agency, Department of Agriculture, National Institutes of Health, Department of Defense, Food and Drug Administration). The General Litigation Section has been involved in almost all of the litigation to date in this new field. In Foundation on Economic Trends v. Block, the district court granted our motion for summary judgment in this case challenging the Department of Agriculture's animal breeding research, including certain recombinant (r)DNA experiments. The latter include the so-called "super-pig" experiments involving the use of a growth hormone gene. Plaintiffs raised challenges under the National Environmental Policy Act, the Administrative Procedure Act, and the federal common law of nuisance, asserting that USDA activities have wrongfully focused on enhancing size and growth rates of farm animals and has resulted in the elimination of smaller, slower growing species of livestock, inhumane treatment of animals, and ultimately the undermining of the family farm. In plaintiffs' view, the USDA should consider such alternatives as preservation of the existing gene pool, improved animal husbandry, and educating the American public to eat more plant crops "in their raw and unrefined forms." In a far reaching decision, the court concluded that animal productivity research cannot be considered an activity for which an environmental assessment or environmental impact statement must be prepared, and rejected plaintiffs' contention that the USDA research is a single monolithic program requiring consideration in a programmatic environmental impact statement. In another biotechnology case, Foundation on Economic Trends v. Thomas, plaintiffs challenged EPA's grant of a permit to field test a genetically altered pesticide. This case was argued on plaintiffs' motion for summary judgment in February. The court denied plaintiffs' injunction motion. However, because of disclosures of possible irregularities in the conduct of tests by Advanced Genetic Sciences (AGS), the permittee company, including the use of an

open rooftop area for tests to determine whether the product is pathogenic to trees, the court reserved judgment on our motion. EPA suspended the permits and ordered the company to conduct additional pathogenicity studies. Ultimately, the court dismissed plaintiffs' action. In Foundation on Economic Trends v. Johnson, plaintiffs attacked the Administration's general approach to biotechnology regulation as expressed in a framework plan. The court dismissed the plaintiffs' lawsuit because plaintiffs lacked standing and the suit was premature.

In Kerr-McGee Corporation v. Hodel, the rejection by the Secretary of the Interior of a number of phosphate preference right lease applications for acquired lands in the Osceola National Forest, Florida, was upheld. The determination of the Secretary that plaintiffs had not discovered "valuable deposits" of phosphate and, therefore, were not entitled to leases, the court concluded, "was not arbitrary and capricious but, rather, was justified and supported by substantial and credible evidence." In so concluding the court held, inter alia, that (1) the term "valuable deposits of phosphate," is properly construed in regulations promulgated in 1976, (2) the cost of compliance with lease terms is an important element in determining whether a prospecting permittee has discovered a "valuable deposit" of phosphate, and, if an applicant lacks the technological capability to comply with prescribed lease terms, he cannot satisfy the test and is not entitled to a lease, and (3) plaintiffs must comply with terms and conditions imposed by the Forest Service and are required to show the economic and technological feasibility of reclaiming the lands covered by their lease applications after mining.

In Marathon Oil Company v. U.S., another mining case handled by the General Litigation Section, the Ninth Circuit upheld the district court ruling that Interior can value federally owned natural gas, for royalty purposes, by working back from the price ultimately received in Japan. The circuit agreed that the Secretary's decision to use the net back formula was authorized by law and not subject to de novo review. It also acknowledged the "substantial deference" due the agency's interpretation of its statute. The court ruled that in holding the liquid natural gas is the same as natural gas, the district court was not making a finding on a disputed fact, but rather the question was one for the agency, upon which the courts would defer. Marathon's argument that Interior had improperly delegated lease administration to Alaskan natives was not considered by the court. It found that Marathon waived the argument by failing to raise it before the agency. Finally, the circuit agreed that there was no evidence that Interior had been improperly influenced by an Alaskan native group in issuing the challenged royalty order.

Canadian St. Regis Band of Mohawk Indians v. State of New York involved an action by a Canadian Indian Tribe and several individual Indians as to rights to islands in the St. Lawrence Seaway and a Fifth Amendment taking by federal defendants. The State of New York, its power authority and a power company were also named as parties. Early in the action we successfully resisted plaintiffs' attempt to certify a class action which was comprised of all descendants of the Canadian Tribe in an earlier decision. Thereafter, plaintiffs sought a stay of the action in an attempt to obtain a legislative settlement. While not objecting to a stay as to the other defendants, we successfully opposed the stay as to the federal defendants on the ground that our defense could be severed from the settlement since the Fifth Amendment issue was applicable only to the federal defendants. The district court has now handed down a favorable decision as to our defense of the action.

In another Indian case, Mashpee Tribe, Christiantown Tribe, Chappaquiddick Tribe, Herring Pond Tribe, and Troy Tribe v. Hodel, plaintiffs sued to recover tribal lands allegedly conveyed by their ancestors in violation of the Constitution and the Indian Non-Intercourse Act. The court dismissed plaintiffs' claims in these consolidated cases against both the federal and non-federal defendants, granting the defendants' motions to dismiss or for summary judgment. The court dismissed the federal defendants as parties primarily on sovereign immunity grounds. The court also observed that the plaintiffs lacked the necessary tribal status to state a basis for dismissal against the federal defendants. Also named as defendants were the Commonwealth of Massachusetts, certain towns, and individual citizens with an interest in the lands in question. In June 1982, the court dismissed the complaint brought by the Mashpee Tribe against the non-federal defendants on res judicata grounds. The present opinion dismisses the Non-Intercourse Act claims in the four remaining cses, finding that plaintiffs lacked the necessary tribal status to state such a claim. In addition, the court rejected plaintiffs' estoppel argument. The plaintiffs asserted that the defendants were estopped from asserting that the plaintiff groups do not consititute tribes since the defendants' actions have caused the disintegration of the plaintiff tribes and tribal land bases. The court held that the plaintiffs had not established the necessary elements for estoppel. The court also concluded that the Indian commerce clause does not provide plaintiffs with an independent basis for suit.

Program Changes: Several major new programs will greatly increase the defensive workload of the General Litigation Unit in 1988: Forest Service long-term management plans under the National Forest Management Act; federal water rights litigation in several western states; the Navy Port Dispersal Plan for major new construction at ten nationwide sites; the Administration's sale of excess property program; royalty recalculation issues under the Federal Oil and Gas Royalty Management Act; and commercial testing of genetically-engineereed products. In addition, a surge of cases is expected involving irrigation run-off high in selenium and other heavy metals. At present, over $5.5 billion in potential government liability is at stake in the cases which are defended by the General Litigation Section, as are federal programs, such as oil and gas leasing programs, which have revenues at risk of several times that amount.

The importance of our defense is highlighted by the direct impact on federal revenues of these new programs. For example, federal revenues from timber contracts top $1 billion annually. In the upper Northwest, where logging is a significant source of jobs and income, the Forest Service's long-range management plans for federally owned timberlands will result in numerous lawsuits which may delay or reduce federal revenue. These comprehensive plans, required by the National Forest Management Act, cover the broad spectrum of public purposes for which forested areas may be used, and require federal managers to make tough choices. Undoubtedly, both conservation groups and the logging industry will be dissatisfied with some of these decisions, and will bring suit in federal courts to allocate more or less land for logging. Because of early involvement in the administrative review process within the Department of Agriculture, the Division can accurately predict that a number of these sensitive cases will reach the courts within 12 to 16 months.

Federal water rights is another area where litigation demands will increase subtantially in 1988. During 1988, at least two and possibly five major water adjudications will be in trial. The states of Arizona and Montana have initiated massive, state-wide water allocations, with trials scheduled to commence early in 1988. In California, Washington and Idaho less comprehensive litigation is planned. Water litigation is emotionally charged and complex, and invokes fierce competition

from all sectors of society. Failure to protect Indian rights in these matters opens the United States to breach of trust claims of which pending claims total $2 billion, and in the past these claims have proven more costly to defend than full support of water adjudication cases. Most water rights cases are filed in state courts by the states pursuant to provisions of the McCarran Amendment, and the United States is but one of numerous defendants. Federal claims are litigated in state courts as part of the Administration's New Federalism program to expand state authority over internal resources. Moreover, state authorities are anxious to have this matter settled, and to have the United States' water rights quantified. The Big Horn River adjudication in Wyoming, which is illustrative of the nature of Indian water cases, spanned years of litigation before a Special Master and required several appeals. Numerous expert witnesses were called, and extensive research on allocation impact and historical Indian rights was required. By contrast, the Arizona and Montana litigation will attempt to allocate all of the water in the States, not one river system as in Wyoming. In Arizona, the Court anticipates holding 24 separate trials on the Gila River, the first phase in a novel regional adjudication schedule. This state-wide adjudication involves 11 Indian tribes in Arizona with substantial reserved water rights. Extensive research into historical agreements reached with each Tribe further complicates this "case." In Montana, nine Indian tribes have a stake in the water issue. Because of the extended duration of these major adjudications it is doubly important that the Division is adequately staffed at the outset. Defense of Indian rights to water is crucial to allow Indian tribes a measure of self sufficiency. Without water, neither agricultural nor other development programs will be possible, perpetuating the cycle of dependence on federal programs for support of Indians. Rapid resolution of these claims also provides certainty to developers who invest billions of dollars in western lands. Further, adequate defense in this litigation provides cost avoidances from future breach of trust claims which seek from the Treasury damages equivalent to the difference in value or irrigated and arid reservation lands. Non-Indian federal water rights cases call into question the nature of federal occupancy for such diverse programs as wildlife refuges and Air Force bases, and place the federal government in direct competition with local landowners for precious water. The Navy Port Dispersal Plan calls for the construction of major home port facilities vital to the Nation's strategic defense readiness. Ten sites located on the Pacific, Atlantic and Gulf coasts are involved, with capital investments of $250 to $500 million at each location. Numerous lawsuits with an array of environmental issues ranging from endangered species considerations to nuclear impact analyses threaten this major defense initiative.

Another major Administration project which will result in new defensive litigation is the excess property/privatization program under the direction of the General Services Administration. This major domestic policy initiative calls for the sale of excess federal property to contribute to the reduction of the federal debt. Currently eight major tracts worth hundreds of millions of dollars located in prime development areas such as Hollywood, California and on the beaches of Hawaii are being prepared for sale, and the 1987 budget projects revenues of several billion dollars from this program. However, each project may be delayed by challenges to the other anticipated analyses required by the National Environmental Policy Act. Vigorous defense of these and other anticipated sales of excess property will have significant impact on the federal debt. Oil and gas royalties from publicly owned lands provide over $3 billion in annual federal revenues, and the Federal Oil and Gas Royalty Management Act sets forth royalty calculation and administrative dispute resolution procedures for the Department of the Interior. In the last month, Interior officials have alerted us to a twenty-fold increase in administrative royalty calculation appeals, from 5 to 100 each month. Even if only ten percent of these result in district court litigation, 120 brand new cases annually will result.

For several years the Division has paid close attention to advances in recombinant DNA research and the development of commercial applications for genetically-engineered products. Coordinated by the White House Biological Sciences Coordinating Committee, the EPA, Department of Agriculture, Food and Drug Administration, and National Institutes of Health all have a hand in regulating or funding experimentation in this emerging growth industry, and the Division has adopted a clearing house function on genetic law. The recent case involving frost-free strawberries highlights the issues which will arise in increased future litigation. Industrial development of a gene which retards frost development on strawberries has the potential to dramatically increase harvests, but the scientific uncertainty surrounding release of this gene has lead to enormous public concern. Every aspect of this program from methodology through test protocols has been subject to controversy because of the uncertain aspect of the frost-retardant gene on the ecosystem.

A rapid increase in litigation is expected relating to selenium contamination at sites under Department of the Interior control, such as the much-publicized case involving the Kesterson National Wildlife Refuge. Here, agricultural drainage waters high in organic selenium content have been linked to wildlife birth deformities and deaths resulting from selenium poisoning. This naturally-occurring tract element is beneficial at very low levels, but is lethal when concentrated, and tends to increase exponentially as it moves up the food chain. In the dozen cases under the "Kesterson" heading, the State of California, the Natural Resources Defense Council, and several private citizens have filed suits alleging violations of the National Environmental Policy Act, Endangered Species Act, Migratory Bird Treaty Act, Clean Water Act and Resource Conservation and Recovery Act as well as inverse condemnation claims under the Tucker Act. An enormous administrative record of government decisions dating to the 1978 acquisition of the refuge as well as scientific analyses of selenium dating to the 1930's must be assembled and analyzed to prepare a defense. Exposure in these cases is estimated at more than $300 million, yet "Kesterson" is only the first in a series of similar suits. Sixteen western and midwestern states are presently investigating potential selenium poisoning problems involving dozens of Bureau of Reclamation irrigation projects and refuges operated by the Fish and Wildlife Service. These investigations will develop into a number of complex lawsuits during 1988.

Finally, this initiative calls for additional automated litigtion support in Indian claims cases. During 1986, as part of the continuing efforts to streamline the Division's structure, the Indian Claims Section was merged with the General Litigation Section. As a result, Indian claims cases with government exposure of $2.5 billion are receiving more attention without an increase in the staff. However, because of the maturing docket and pressure from the Claims Court, the Division must begin to actively prepare several of the most complex claims cases for trial. Four historical cases, Soboba, Minnesota Chippewa, Zuni and Navajo, fall into this category, with factual issues spanning several decades. These four cases will be in trial during 1988, requiring increased litigation support.

The Lands Division's defense of Administration initiatives is critical to important revenue-producing programs, including onshore and outer-continental shelf oil and gas leases, sales of excess federal property, and federal timber sales. Projected 1988 revenue from these programs is more than $10 billion, so at current rates, delays caused by legal challenges could cost the Treasury between $1 and $2 million each day in interest. In addition to protecting some $10 billion in current and potential revenue, pending liability cases handled by the General Litigation Section involve claims exceeding $5 billion. Without added staff Treasury exposure would increase due to unfavorable settlements, among other things.

	1985	1986	Estimates 1987	1988
General Litigation Section:				
Cases pending, beginning of year	3,228	3,537	3,408	3,703
Cases received	737	862	725	800
Cases closed	428	991	430	500
Cases pending, end of year	3,537	3,408	3,703	4,003
Indian Resources Section:				
Cases pending, beginning of year	547	561	541	536
Cases received	48	19	30	50
Cases closed	34	39	35	35
Cases pending, end of year	561	541	536	551
Policy, Legislation and Special Litigation:				
Matters pending, beginning of year	55	145	117	307
Matters received	1,150	1,319	1,250	1,250
Matters closed	1,060	1,347	1,060	1,060
Matters pending, end of year	145	117	307	497
Total:				
Pending, beginning of year	3,830	4,243	4,066	4,546
Received	1,935	2,200	2,005	2,100
Closed	1,522	2,377	1,525	1,595
Pending, end of year	4,243	4,066	4,546	5,051

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration	33	28	$2,435	33	28	$2,654	33	30	$2,654	...	2	...

Long-Range Goal: To efficiently and effectively manage the Division, and to provide the administrative systems and support services required to conduct litigation.

Major Objectives:

To develop program initiatives to permit effective responses to the Administration's policy requirements.
To provide policy direction to Division program managers.
To ensure that statutory obligations are met.

To maximize use of office automation technologies to increase efficiency and productivity throughout the Division.
To develop and maintain systems for improved fiscal planning and accountability.
To recruit and develop highly competent and motivated staff.
To implement an automated management and support system.
To establish a management systems review function and to refine and monitor program plans, evaluate program performance and conduct resource allocation studies.
To enhance the Division's ability to identify and implement requirements for expert witnesses.
To identify personnel training needs and initiate a comprehensive orientation program.
To provide all administrative support services, including space and facilities, files, messengers, copying, and supplies.
To update an administrative manual covering issues such as administrative procedures, employee position descriptions and workplans, performance evaluation criteria, promotions, awards, maternity leave, and adverse actions.

Base Program Description: This program provides overall direction and management for the Land and Natural Resources Division and supervises and administers operations necessary to the efficient operation of the Division's litigative mission. The responsibilities of this program include: budget preparation and execution; financial management; development, operation, and maintenance of management and automated support systems; workload and resource requirements analyses; recruitment; processing of personnel actions including payroll and benefits; management of space, facilities, and supply requisitions; provision of office equipment; processing mail; files control; provision of messenger, printing and copying services; performance of management analyses and internal control reviews.

Accomplishments and Workload: The Administrative Services Group completed a number of office moves to foster more efficient utilization of space. Office space and facilities were acquired to house client agency personnel working with the Division in the Shell (Rocky Mountain Arsenal) case and additional facilities were acquired in Alaska for Division personnel working on the Alaska Native Claims litigation. Section personnel worked with the Justice Management Division to design and construct a computer facility for the Division's prototype minicomputer docket tracking system. Additionally, expanded and improved library services were provided to Division personnel located in the New Post Office building. The Group inventoried the Division's furniture and equipment, and implemented controls for tracking and disbursing these supplies. Over 500 files previously closed cases were purged, and the filing backlog has been virtually eliminated. Moreover, the Group oversaw the Division's program to detect, monitor and remove asbestos from two of the buildings assigned to the Division.

Management reviews of each of the Division's sections are continuing. The initial assessments of the three largest sections have been completed, and reviews of the other sections are proceeding. In these studies, data are collected on each facet of section operation, e.g., reporting systems, caseload, organization and management structure. As a result of the completed studies, a number of management reforms have already been introduced by senior Division officials.

The Financial Management Group instituted a system for reviewing and maintaining records of Division requests for expert witnesses. The system is designed to track each request from initiation and approval to payment of invoices. The Group also has taken an active role in reducing the outstanding travel advance balances held by Division employees. Since December 31,

1984, the Division's travel advance balance was reduced by over $90,000. The Group also presented a half-day seminar on the government's travel regulations for Division secretarial personnel. Topics included preparation of authorizations and vouchers, and per diem calculation. Another seminar was developed and presented to Division attorneys, outlining procedures from the traveler's perspective.

The Personnel Group provided support to Division management in redesigning the Division's recruitment methods in order to facilitate hiring high-quality employees and to ensure the application of Division-wide criteria in the hiring process. Efforts have continued in coordinating and developing personnel management seminars specifically geared toward the Division; the latest dealt with managing problem attorneys. The Group also designed and initiated a formal orientation program for new employees. A "working sabbaticals" program for tenured senior attorneys has been proposed to boost morale among career attorneys, and to expand the contacts and experience of our most productive litigators. The Group's program to revise and update workplans is nearing completion, and workplans for student aides in the stay-in-school program have been developed.

Program Changes: The Division requests two FTE workyears in the office of the Assistant Attorney General to allow the Special Counsel and Special Assistant for Management positions to be filled. This is a reflection of the Division's commitment to meeting the Attorney General's goal of a 20 percent increase in productivity by 1992. In cooperation with the Justice Management Division, the Land and Natural Resources Division has undertaken a number of management and productivity improvement efforts. Other programs includes comprehensive management reviews of each section, and a personnel management program to reward high achievers and focus on excellence. The Special Assistant for Management will provide a policy level imprimatur on productivity programs, and oversee other ongoing efforts such as the analysis of the Division's data entry position structure, and the review of the central files program. While these studies are incomplete, it is probable that a move toward reorganization or contracting will be made by the end of 1988, and reflected in the 1989 budget.

Land and Natural Resources Division

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Environmental Protection		General Litigation		Management & Administration		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades								
GS/GM-14	1	$44	2	$89	...	...	3	$133
GS/GM-13	2	75	3	113	...	...	5	188
GS-12	4	126	3	95	...	...	7	221
GS-11	...	...	1	26	...	...	1	26
GS-7	2	36	1	18	...	...	3	54
GS-6	...	...	2	32	...	...	2	32
GS-5	1	14	...	...	...	...	1	14
GS-4	4	51	...	...	...	...	4	51
Total positions and annual rate	14	346	12	373	...	...	26	719
Lapse (-)	-2	-43	-3	-119	+2	...	-3	-162
Total workyears and personnel compensation	12	303	9	254	2	...	23	557
Personnel benefits		34		28		...		62
Travel and transportation of persons		90		35		...		125
Other services		4,316		1,376		...		5,692
Supplies and materials		12		9		...		21
Equipment		24		18		...		42
Total, workyears and obligations, 1988	12	4,779	9	1,720	2	...	23	6,499

Land and Natural Resources Division

Salaries and expenses, General Legal Activities

Priority Rankings

Base Program

Program	Ranking
Environmental Protection	1
Appellate	2
General Litigation	3
Management and Administration	4
Land Acquisition	5

Program Increase

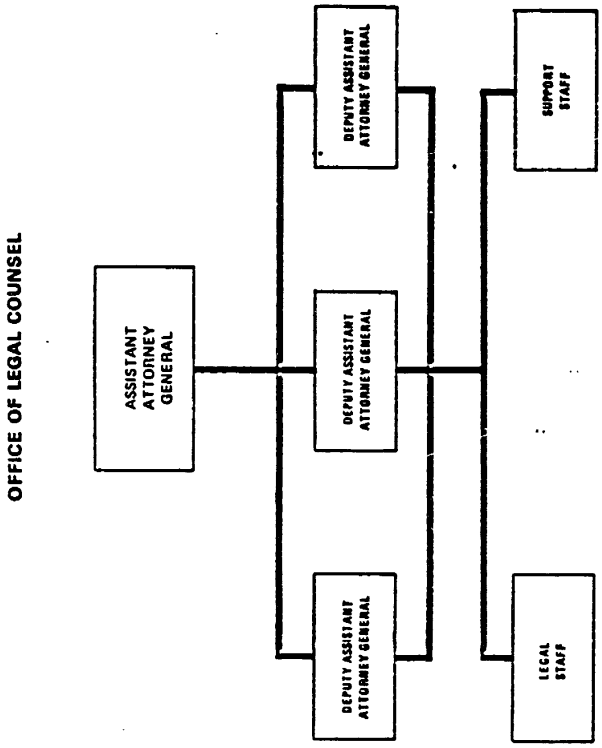
Program	Ranking
Environmental Protection	1
General Litigation	2
Management and Administration	3

Land and Natural Resources Division

Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1986 - 1988

	1986 Authorized	1987 Authorized	1988	
			Program Increases	Total
Attorneys (905)	184	189	15	204
Paralegal Specialist (905)	25	25	3	28
Other Legal and Kindred (900-998)	9	9	...	9
Gen. Admin. clerical and office services (300-399)	123	120	8	128
Accounting and Budget (500-599)	3	3	...	3
Business and Industry Group (1100-1199)	3	3	...	3
Total	347	349	26	375
Washington	333	335	25	360
U.S. Field	14	14	1	15
Total	347	349	26	375


OFFICE OF LEGAL COUNSEL
ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
SUPPORT STAFF
LEGAL STAFF
Approved
William French Smith
Attorney General
Date: 1/19/84

Office of Legal Counsel

Salaries and expenses, General Legal Activities

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional Appropriation Action on 1987 Request			1987 Supplemental Requested			Pay & FERS	1987 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt	Amt.	Pos.	WY	Amt.
6. Legal Opinions:													
a. Legal Opinions	35	39	$2,366	...	...	$111	4	1	$147	$43	35	39	$2,445
Total.....	35	39	2,366	...	...	111	4	1	147	43	35	39	2,445

Congressional Appropriation Action

Congress reduced the 1987 request by $111,000. The reduction was taken in two areas; uncontrollable increases, and continuance of the 1986 Gramm-Rudman-Hollings sequestration.

Supplementals Requested

1. The program supplemental request provides funding for increased GSA rent costs associated with the Criminal Division relocation ($22,000), increased Federal Telecommunications System (FTS) charges ($5,000) and costs associated with the production and publication of the Presidential Emergency Action Documents (PEAD's) (4 positions, 1 FTE and $120,000).

2. The Pay and Federal Employee Retirement System (FERS) supplemental includes $19,000 for increased pay costs pursuant to P.L. 99-500 and $24,000 for changes in the FERS.

72-165 O—87——18

Office of Legal Counsel

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	35	39	$2,255
1987 Relocation supplemental requested	...	...	22
1987 Pay and Federal Employee Retirement System (FERS) Supplemental	...	...	4
1987 Federal Telecommunications System Supplemental requested (FTS)	...	...	5
1987 program supplemental requested	4	1	120
1987 Appropriation Anticipated	39	40	2,445
Uncontrollable increases:			
One additional compensable day	...	...	5
Annualization of 1987 Bond Building and program supplemental	...	3	124
Annualization of 1987 Federal Employee Retirement System (FERS) Supplemental	...	...	72
Annualization of 1987 pay increase	...	...	31
Within-grade increases	...	...	20
Retirement contribution (FICA)	...	...	10
Medicare costs	...	...	5
GSA Rent	...	...	67
GSA recurring reimbursable	...	...	3
Telephone service	...	...	5
GPO printing costs	...	...	10
Employee data and payroll services	...	...	10
Audio visual and media services	...	...	10
General pricing level adjustment	...	...	15
Total uncontrollable increases	...	...	387
Decreases:			
Reduction for change in hourly rate	...	...	-1
Reduction in health benefits	...	...	-1
Total decreases	...	...	-2
1988 base	39	43	2,830

	1986 as Enacted			1986 Actual			1987 Appropriation			1988 Base			1988 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WK	Amt.
6. Legal Opinions	35	39	$1,969	35	31	$1,920	35	39	$2,445	39	43	$2,830	39	43	$2,872	...	...	$42

Office of Legal Counsel

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Legal Opinions	1987 Appropriation			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal Opinions.....	35	39	$2,445	39	43	$2,830	39	43	$2,872	...	...	$42

This budget activity includes resources for the primary mission of the Office of Legal Counsel (OLC). Funds requested for this activity support personnel involved with the preparation of the opinions of the Attorney General and other OLC opinions on a variety of significant and complex constitutional, statutory and other legal questions involving the operation of the Executive Branch.

Long-Range Goal: To assist the Attorney General in his role as legal adviser in the Executive Branch, and to provide timely, exceptionally high quality and reliable legal analysis in response to requests for opinions coming from the President, the White House staff through the Counsel to the President, the Attorney General, Justice Department components and the heads of Executive Branch and independent agencies.

Major Objectives:

To increase the timeliness and quality of all OLC formal and informal opinions.
To carry out the President's Executive Order on Federal Legal Services by improving this Office's usefullness as an aid in the resolution of intra-Executive Branch disputes and legal questions.
To assist other components in the Department of Justice in drafting and providing testimony on proposed legislation and to provide comments on the constitutionality and legality of proposed legislation of interest to other departments and agencies.
To assist the Attorney General in his function of providing general legal advice to the President and Executive Branch agencies.
To perform its function of approving Executive Orders and Orders of the Attorney General as to form and legality competently, thoroughly and expeditiously.
To continue the practice, begun in 1977, of making publicly available in published form those Office of Legal Counsel opinions that are of general interest to the public.

Base Program Description: The principal duty of the Office of Legal Counsel is to assist the Attorney General in his function as legal adviser to the President and Executive Branch agencies. The Office also reviews as to form and legality all Executive Orders and Proclamations proposed to be issued by the President. All proposed orders of the Attorney General and all regulations requiring his approval are also reviewed by the Office of Legal Counsel. In addition, the staff is also involved in coordinating the work of the Department with respect to treaties, executive agreements and international organizations and performs a variety of special assignments referred to the Office by the Attorney General, the Deputy Attorney General or the Associate Attorney General.

The statutory authority pertaining to the Office of Legal Counsel is 28 U.S.C. 511-512. There are no pending or proposed legislative changes which would affect this Office.

The Office of Legal Counsel does not initiate any programs or have control over the volume or requests for opinions of the Attorney General or for legal opinions of the Office of Legal Counsel. All of the Office's work results from requests for opinions and legal advice from the President, the White House staff, Attorney General, members of the Cabinet and Executive Branch agencies and other Department of Justice officials.

A small number of requests are considered appropriate for formal Attorney General opinions, which are drafted preliminarily in OLC and reviewed, revised and approved by the Attorney General. The majority requests result in the preparation of legal opinions signed by the Assistant Attorney General or one of the Deputies based upon the research of one or more of the 16 staff attorneys. Other requests result in the provision of oral advice to the client.

Accomplishments and Workload: Accomplishments of the Office of Legal Counsel are presented in the following tables:

Item	1985	1986	Estimates 1987	1988
Executive orders and proclamations	41	50	70	70
Opinions	462	510	530	535
Intradepartmental opinions	494	570	620	625
Special assignments	2,477	2,600	2,900	2,900

OLC provided legal opinions under Executive Order No. 12146 in several disputes between Executive agencies. The Office has continued to respond to every request for any such dispute resolution it receives. OLC has received numerous such requests during the past fiscal year and continues to enjoy a high degree of respect from Executive agencies for its opinions.

OLC has taken a major role in either testifying or preparing testimony in connection with pending legislation of interest to the Department and the Administration. OLC also has assisted in the drafting of legislation and in providing legal advice concerning the legality and constitutionality of proposed and enrolled bills to other components in the Department and to other departments and agencies on subjects as diverse as the work of the Executive Branch itself.

The Office has provided general legal advice to the President and the various departments and agencies of the Executive Branch on a wide range of legal issues including, the constitutionality of provisions of the Gramm-Rudman-Hollings Act, numerous other questions relating to the constitutional separation of powers, other constitutional questions, and questions arising from the laws relating more narrowly to the individual departments and agencies. The Office has also devoted considerable attention to problems of federalism presented by matters that the Office has been asked to examine.

During the past fiscal year the Office has reviewed for the White House numerous Executive Orders as to their form and legality and given advice to the President concerning appropriate revisions and considerations. The Office continues to hire staff expertly qualified and experienced in order to develop procedures necessary to perform this function with only the most sound advice and in an expeditious manner. OLC has also reviewed several major orders of the Attorney General during this period, most of them on very limited time schedules.

Volumes 4A, 4B and 5 of the Opinions of the Office of Legal Counsel for 1980 and 1981 were published in January 1986. Planning and work has begun on volumes 6, and 7 to contain noteworthy opinions issued in 1982 and 1983. We believe we now have in place, and are attempting to refine, a structure that will improve the speed of producing these volumes.

Program Changes: An increase of $42,000 is requested for 1988 for the Presidential Emergency Action Document program (PEAD). The Office of Legal Counsel is accepting responsibility for the production and publication of PEADs. This program has recently expanded to the point that it can no longer be managed by the United States Attorneys who were reimbursed by the Federal Emergency Management Agency (FEMA) for costs associated with PEAD.

The PEAD Project: The primary goal of the PEAD project is to develop an entirely new portfolio of easily understood, legally sufficient and programmatically sound PEAD. A PEAD is a draft executive order, legislation or proclamation which may be required in order to perform essential functions more efficiently during a national security emergency. As an additional goal, the Office of Legal Counsel will continue to document the basis of its legal analyses and develop other types of materials to respond to the requests of and otherwise assist the Department of Justice and other continuity of government planners. These goals are related to and consistent with the current overall executive branch efforts of improving the United States' posture in both a legal and practical sense.

The Department of Justice and the FEMA maintain an interagency agreement to analyze, update, or totally revise the PEAD.

Office of Legal Counsel

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes
(Dollars in thousands)

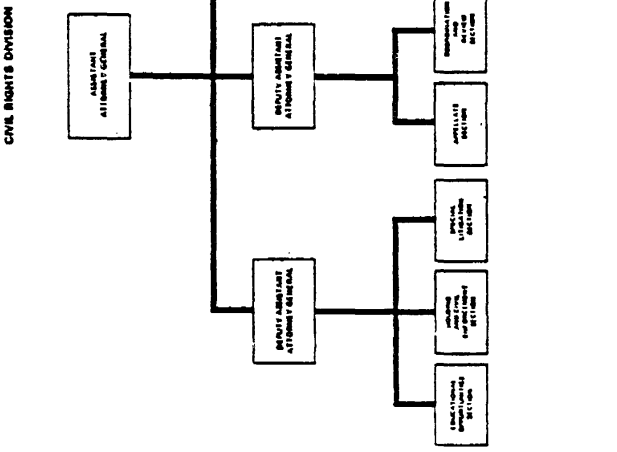
Item	Amount
Printing	12
Other services	20
Supplies and materials	10
Total workyears and obligations, 1988	42

Office of Legal Counsel

Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized	1988 Request
Attorneys (905)	20	20	22
Paralegal Specialists (950)	3	3	3
Legal Technicians (986)	6	6	6
Gen. admin., clerical and office svc. (300-399)	6	6	8
Total	35	35	39
Washington	35	35	39
Total	35	35	39


CIVIL RIGHTS DIVISION

Civil Rights Division
Salaries and expenses, General Legal Activities
Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			Reprogrammings			1987 Supplementals Requested				1987 Appropriation Anticipated		
										Program			Pay & PMCS			
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.		Pos.	WY	Amt.
Federal appellate activity.....	32	32	$1,903	...	...	-$90	...	...	...	...	...	$19	$39	32	32	$1,871
Civil rights prosecution.....	45	44	2,704	...	...	-128	...	...	...	...	...	26	56	45	44	2,658
Special litigation.....	37	38	2,473	...	...	-117	...	...	...	...	...	24	51	37	38	2,431
Voting.....	68	71	3,481	...	...	-164	...	...	...	...	...	34	72	68	71	3,423
Employment litigation.....	63	64	3,687	...	...	-174	...	...	...	...	...	36	76	63	64	3,625
Coordination and review.....	39	42	2,369	...	...	-112	...	...	...	...	...	23	49	39	42	2,329
Housing and civil enforcement..	33	34	2,006	...	...	-94	...	...	...	...	...	20	41	33	34	1,973
Educational opportunities.....	33	33	1,934	...	...	-91	...	...	...	...	...	20	39	33	33	1,902
Management and administration..	54	66	3,584	...	...	-169	...	...	...	...	...	35	74	54	66	3,524
Total.....	404	424	24,141	...	...	-1,139	...	...	...	...	...	237	497	404	424	23,736

Congressional Appropriation Action

The Congress reduced the Civil Rights Division 1987 request by $1,139,000. Uncontrollable increases were reduced by $48,000; one item for $110,000 (telephone line charges) was denied. Also, the $981,000 sequestered by Congress in 1986 will remain in 1987.

Supplementals Requested

1. Supplemental funds are requested to cover additional GSA rent charges in connection with the pending move of the Criminal Division to the Bond Building. The Civil Rights Division's share of the cost will be $184,000. Also, supplemental funding of $53,000 is requested to cover increases in Federal Telecommunications System charges.
2. The pay request provides for $216,000 to meet increased pay requirements pursuant to P.L. 99-500. This supplemental also seeks $281,000 to handle the increased costs by the recent changes to the Federal Employee Retirement System.

Civil Rights Division
Salaries and expenses, General Legal Activities
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	404	424	$23,002
1987 Pay and retirement supplemental requested	...	...	497
1987 program supplemental requested	...	...	237
1987 appropriation anticipated	404	424	23,736
Savings due to management initiatives	-4	-4	-100
Transfer of Financial Administrative Systems Support group	...	...	4
Uncontrollable increases:			
One additional compensable day	...	...	68
Annualization of 1987 Bond Building supplemental	...	...	37
Annualization of 1987 Federal Employee Retirement System supplemental	...	...	835
Annualization of 1987 pay increase	...	...	379
Within-grade increases	...	...	167
Retirement contributions - Social Security (FICA)	...	...	8
Medicare costs	...	...	1
Locality based per diem	...	...	41
GSA Rent	...	...	547
GSA recurring reimbursable services	...	...	5
Federal Telecommunications System (FTS)	...	...	30
Telephone service	...	...	35
GPO printing costs	...	...	1
Employee data and payroll services	...	...	5
Audio visual and media services	...	...	3
General pricing level adjustment	...	...	256
Total, uncontrollable increases	...	...	2,418
Decreases:			
Reduction for change in hourly rate	...	...	-34
Reduction in Health Benefits	...	...	-31
Reduction in per page cost of FR and CFR	...	...	-1
Total, decreases	...	...	-66
1988 Base	400	420	25,992

Estimates by budget activity	1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Inc./Dec.		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
7. Civil rights matters	399	410	$22,301	404	424	$23,736	400	420	$25,992	400	420	$26,792	...	...	$800

Civil Rights Division

Salaries and expenses, General Legal Activities

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1986 as Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Federal appellate activity	32	32	$1,761	32	32	$1,761	32	32	$1,871	32	32	$2,057	32	32	$2,057	...	...	...
Civil rights prosecution	45	44	2,504	45	44	2,504	45	44	2,658	45	44	2,912	45	44	2,912	...	...	...
Special litigation	37	38	2,290	37	38	2,290	37	38	2,431	35	36	2,620	35	36	2,740	...	...	$120
Voting	68	71	3,237	68	71	3,257	68	71	3,423	68	71	3,750	68	71	4,030	...	...	280
Employment litigation	63	64	3,418	63	64	3,416	63	64	3,625	63	64	4,090	63	64	4,490	...	...	400
Coordination and review	39	42	2,194	39	42	2,194	39	42	2,329	39	42	2,557	39	42	2,557	...	...	...
Housing and civil enforcement	33	34	1,861	33	34	1,861	33	34	1,973	33	34	2,062	33	34	2,062	...	...	...
Educational opportunities	33	33	1,797	33	33	1,797	33	33	1,902	31	31	2,033	31	31	2,033	...	...	...
Management and administration	54	66	3,271	54	66	3,241	54	66	3,524	54	66	3,911	54	66	3,911	...	...	...
Total	404	424	22,333	404	424	22,301	404	424	23,736	400	420	25,992	400	420	26,792	...	...	800
Other Workyears																		
Holiday		...			...			...			...			...			...	
Overtime		3			5			3			3			3			...	
Total compensable workyears		427			429			427			423			423			...	
Reimbursable Workyears		6			6			6			6			6			...	
Total Workyears		433			435			433			429			429			...	

Civil Rights Division

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Civil Rights Matters	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity	32	32	$1,871	32	32	$2,057	32	32	$2,057	...	...	...
Civil rights prosecution	45	44	2,658	45	44	2,912	45	44	2,912	...	...	...
Special litigation	37	38	2,431	35	36	2,620	35	36	2,740	...	...	$120
Voting	68	71	3,432	68	71	3,750	68	71	4,030	...	...	280
Employment litigation	63	64	3,625	63	64	4,090	63	64	4,490	...	...	400
Coordination and review	39	42	2,329	39	42	2,557	39	42	2,557	...	...	...
Housing and civil enforcement	33	34	1,973	33	34	2,062	33	34	2,062	...	...	...
Educational opportunities	33	33	1,902	31	31	2,033	31	31	2,033	...	...	...
Management and administration	54	66	3,524	54	66	3,911	54	66	3,911	...	...	...
Total	404	424	23,736	400	420	25,992	400	420	26,792	...	...	800

This budget activity consists of resources designed to accomplish the mission of the Civil Rights Division. The Division is responsible for the enforcement of all laws and Executive Orders prohibiting discrimination on account of race, color, national origin, sex, age, handicap or religion. The Attorney General has also been delegated responsibility to administer the special provisions of the Voting Rights Act of 1965, as amended in 1970, 1975 and 1982, including under Section 5, the preclearance of all changes affecting voting in covered jurisdictions; to litigate sex discrimination cases referred under Title IX of the Education Amendments of 1972; and to handle cases involving discrimination by federal contractors referred by the Department of Labor. The Division's delegation of the Attorney General's responsibilities to coordinate and enforce Title VI of the Civil Rights Act of 1964 by all federal program agencies was enhanced significantly by Executive Order 12250, signed November 2, 1980. The Executive Order increased the Division's coordination authority under Title VI and also delegated coordination authority for Title IX of the Education Amendments of 1972 and Section 504 of the Rehabilitation Act of 1973, as amended. In addition, in 1980 Congress enacted the Civil Rights for Institutionalized Persons Act which authorizes the Attorney General to bring litigation against unconstitutionally operated state and local institutions.

would remedy unconstitutional deficiencies identified by investigations at the Fairview Training Center in Oregon and the Fort Stanton State School in New Mexico failed, the program filed its first contested lawsuit involving state institutions for the mentally retarded.

In other matters, the program successfully negotiated and entered into three consent decrees pursuant to the Act. One settlement remedies conditions at the South Carolina State Hospital mental health facility in Columbia, South Carolina; another addressed conditions at the Wheat Ridge Center, a mental retardation facility in Colorado; and, the third resolves two investigations at Michigan state mental health institutions, the Northville Regional Psychiatric Center and Ypsilanti Psychiatric Hospital. Another consent decree has been successfully negotiated and filed with the Court addressing conditions at the Southbury Training School in Connecticut. Following evidentiary compliance hearings, the district court found the State of Michigan to be in non-compliance in the area of prison mental health care services and also granted the United States' motion for the enforcement of its consent decree in this case involving conditions of confinement at three Michigan prison facilities. The issues include fire safety, medical care, access to courts, sanitation, safety and hygiene, and overcrowding and protection from harm.

Program Changes. The request for an increase of $120,000 will enable the hiring of nongovernment consultants (psychiatric, sanitation, medical experts, etc.) to perform on-site tours of public facilities under investigation and to prepare reports and recommendations in conjunction with the Civil Rights of Institutionalized Persons Act (CRIPA), allowing the program to bring facilities into compliance with rights provided for in the Constitution and other laws of the United States. The CRIPA permits litigation only as a last recourse. This program spends a major portion of its current budget on the hiring of expert consultants and utilizes employees from other federal agencies whenever possible. The number of expert consultants which can be hired impacts directly on the program's ability to perform its mission, as well as on its productivity.

This program is required by law to investigate, inspect, suggest remedial actions, and, if necessary, initiate legal action against facilities operated by the states, or agents thereof, when there is reasonable cause to believe that conditions of confinement are depriving persons confined of any rights, privileges, or immunities guaranteed by the Constitution or laws of the United States. The class involved in these matters is unable to defend itself. The entire concept of CRIPA is based on the government's desire to ensure rights within these facilities in agreement with the states involved and without resorting to litigation. An average investigation requires the services of two expert consultants for several days in order to physically tour the facility and prepare a written report of observations and conclusions. The median cost for such an investigation is $6,000 to $8,000 and includes daily fees, as well as travel and subsistence expenses. (It should be noted that the program has been fortunate to find many consultants who are willing to work at a lower daily rate than they normally charge because of the issues involved.) These costs are inherent to the operation of the program and will continue to increase with the rise in enforcement activities. Without an increase in the expert consultant fund, the number of investigations the program is capable of performing will be sharply curtailed and the rights of the institutionalized will be adversely affected.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Voting	68	71	$3,423	68	71	$3,750	68	71	$4,030	...	...	$280

Long-Range Goal: To prevent and eliminate systemic barriers to the full participation by racial and language minorities and overseas, blind, handicapped, disabled and illiterate citizens in the electoral process, and to achieve effective remedies for those citizens in specific instances where their right to vote has been denied or abridged.

Major Objectives:

To prevent through the Section 5 preclearance program the implementation of new standards, practices and procedures that have the purpose or effect of denying or abridging racial and language minorities' right to vote throughout the 909 counties specially covered by the Voting Rights Act (VRA).
To assure the assignment of federal observers to those polling places within the specially covered counties where observer personnel are needed to document misdeeds in the electoral process or to ensure confidence of the minority community in the electoral process and actions of individuals conducting the elections.
To provide a federal alternative for voter registration when the actions and practices of local authorities discriminatorily deny racial and language minorities' access to the voter registration rolls.
To defend lawsuits that are brought against the United States under the special provisions of the VRA before three-judge panels in the United States District Court for the District of Columbia to preclear voting changes and to terminate coverage.
To initiate lawsuits against jurisdictions that violate the preclearance requirements of Section 5.
To discover and remedy methods of conducting elections that dilute the voting strength of racial and language minorities.
To discover and remedy actions of state and local election and voter registration administrators that prevent a full and fair exercise of the franchise by racial and language minorities; overseas citizens; and, voters who are elderly, handicapped, blind, disabled or are unable to read or write.

Base Program Description: The program is divided into two components. The Section 5 component, staffed by equal opportunity specialists/program analysts under the supervision of attorneys, reviews changes in voting practices or procedures proposed by the 909 jurisdictions which are required to have such changes cleared before they can be implemented. If a jurisdiction fails to carry its burden of proving that a change does not have a discriminatory purpose or effect, this program recommends to the Assistant Attorney General that he interpose an objection to the change. As an alternative to administrative preclearance, the VRA provides that jurisdictions may seek judicial preclearance through declaratory judgment suits. The litigation component of the program handles these suits, brings suits against jurisdictions which implement voting changes which have not been precleared, and handles suits under the provision of the Act that allows jurisdictions to seek a judicial determination that they no longer need to be subject to the preclearance requirement. The preclearance requirements of the VRA relate to changes in voting practices and procedures.

Other provisions of the Act and other voting laws relate to existing practices and procedures which were instituted before the Act went into effect in jurisdictions covered by the special provisions, or those which exist in jurisdictions not covered by the special provisions. The litigation component brings lawsuits to remedy existing practices which result in the denial or abridgment of minorities' voting rights by maintaining systems of election that dilute minority voting strength, and by restricting participation in the electoral process by minorities, overseas citizens, and voters who are elderly, handicapped, blind, disabled or illiterate. Enforcement of the 1975 exclusive English prohibition is handled through the administration and litigative enforcement mechanisms described above. In addition, staff members assist local election officials in understanding their responsibilities for assisting language minorities and voters who are elderly, handicapped, blind, disabled

or are unable to read or write in exercising their voting rights. In a similar manner, the program helps U.S. Attorneys carry out their language provision enforcement responsibilities.

Both components of the program assist in determining where federal observers are needed to observe election day activities (to report indications of interference with or abridgment of minorities' voting rights). Through file reviews, telephone contacts and field surveys, jurisdictions needing coverage are identified, appropriate numbers and locations of observers are determined, and the Office of Personnel Management is contacted to work out the appointment and deployment of observers. The program's attorneys work closely with the observers and coordinate their activities and information on election day.

The program also encourages the ultimate goal of voluntary compliance with federal civil rights voting laws by remaining available to confer with other elements of the Federal Government, such as the Federal Election Commission, the Department of Defense, and the Bureau of the Census, and with individuals and associations of state and local election administrators, such as Secretaries of State and county clerks, regarding their concerns about the impact of federal law and regarding the Department's position with respect to the import and requirements of federal law.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Defensive Litigation	4	6	4	6
Offensive Litigation	343	79	130	152
Section 5 Submissions Received	3,041	3,890	3,000	3,500
Section 5 Submissions Processed	3,041	3,890	3,000	3,500
Matters Received	184	33	50	60
Matters Terminated	118	25	50	60
Cases Filed	17	14	15	16
Cases Closed	32	7	15	16

During 1986, over 3,800 submissions involving the largest number of changes (more than 20,000) ever were submitted under Section 5. The submissions involved 97 changes to which objections were interposed, including redistricting plans for Lynn County, Texas, and Sunflower and Yazoo counties, Mississippi, the latter two of which represented the third objectionable redistricting plan that the counties presented for review. Also, objections were interposed to the following: (a) annexations where the proposed addition of white persons would have diminished black persons' voting strength in at-large elections for city council members in Forsyth, Georgia; Sumter, South Carolina; and, Franklin, Virginia; (b) changes in methods of holding elections for city or county council members and districting plans which were dilutive of minority voting strength in the Cities of El Campo and Plainview, Texas; Jesup, Lyons and Quitman, Georgia; Elizabeth City, North Carolina; Lamar County, Texas; and, Marengo County, Alabama; (c) the addition of a majority vote requirement to the at-large voting method in Batesburg, South Carolina; (d) the use of residency requirements for the election at-large of school board members in Onslow and Pitt Counties, North Carolina; and, (e) a deannexation from Greensboro, Alabama, of land on which a housing project with a projected majority black occupancy was scheduled to be built.

The program participated in 14 new cases during the year. Of these, the Division was the plaintiff in seven, plaintiff-intervenor in one, defendant in four, and amicus curiae in two. Of the seven lawsuits filed as plaintiff, five charged violations of Section 2 of the VRA, four of which were resolved by consent decree. The program filed one suit charging

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity.....	32	32	$1,871	32	32	$2,057	32	32	$2,057	...	...	...

Long-Range Goal: To reduce the incidence of unlawful denials of civil and constitutional rights.

Major Objectives:

To file, on a selective basis, appellate level cases initiated by the government.
To serve as a friend of the court in appellate cases which have a substantial impact on federal civil rights enforcement.
To handle all appropriate appellate level litigation in the civil rights area, rather than to have such cases handled by the enforcement programs.
To provide legal counsel to government departments and agencies with respect to their civil rights related programs and nondiscrimination requirements.
To provide significant substantive support for the Division's legislative initiatives and to comment on the legislative proposals of others.
To provide, with respect to pending litigation, legal counsel and research assistance to other enforcement activities and to the Department.

Base Program Description: Once a litigating program has obtained a district court judgment, the case may be reviewed in the courts of appeals or the Supreme Court. This program handles or supervises the handling of all appeals from both favorable and adverse judgments in which the government participated. Supreme Court cases require coordination with the Office of the Solicitor General. A favorable district court decision is meaningless if it is reversed on appeal, and the program needs and resource expenditures of district court litigation demand the ability to appeal adverse decisions. The success of the Division's front-line litigating programs depends on this program's effectiveness on appeal.

In addition, since appellate court decisions in private cases may profoundly affect the entire civil rights effort, the Division participates as a friend of the court in appellate cases which raise issues that, when resolved, will have an impact on the scope of the Division's enforcement jurisdiction. Occasionally, at the request of the Assistant Attorney General, program staff participates in the district court in cases in which appeals appear to be imminent.

In support of an effective civil rights enforcement program, the program develops (as requested) new legislation or modifications or amendments to existing legislation in the interest of protecting the civil rights of all citizens; comments on civil rights legislative proposals of others (as required by the Department's Office of Legislative and Intergovernmental Affairs and as requested by the Office of the Assistant Attorney General); provides legal counsel to federal agencies responsible for the administration and development of programs with civil rights implications which invariably present difficult legal and policy questions. The advice the staff gives is designed to ensure the legality of such programs, promote uniform policy application, and lessen the possibility of expensive and disruptive litigation later. Such counsel involves commenting on draft regulations and the efficacy of program administration as well as advising on proper litigating strategy.

For 1988, no additional resources are requested for this program. At the base level, the program will adequately represent the United States in its important appellate litigation. Legislative and legal counsel activities will be handled as resources permit.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Cases/Matters Received	114	130	140	148
Briefs Filed	72	59	70	72
Solicitor General Recommendations	14	27	20	22
Decision Not to Participate or Appeal	18	10	18	21
Legal Counsel & Research Assistance Provided	54	34	48	51
Legislative Comment & Testimony	6	9	9	14
Cases/Matters Handled	213	143	215	245

During the year, the Division filed approximately 36 papers in the Supreme Court and 44 in the courts of appeals, 95 percent of which were prepared by this program. Seventy percent of the decisions reaching the merits were in full or partial accord with the Division's contentions. The Supreme Court reached the merits in 10 cases; six of these decisions were consistent with the government's position. The courts of appeals rendered 36 merits decisions, 26 of which were in full or partial accord with the Division's contentions. In the area of education, the Fourth Circuit upheld the constitutionality of a school board's decision to abandon its busing of elementary school students. In accordance with the argument the division made as amicus curiae, the court held that because the board had eliminated all vestiges of its dual system, it was free to eliminate busing unless its decision was motivated by discriminatory intent. In another case, the Sixth Circuit affirmed a lower court's entry of a consent decree in a higher education case. The court held that a special preprofessional program for black students was sufficiently tailored to correct the effects of past discrimination. The court also held that the United States could not prevent entry of the consent decree merely by withholding consent when the government did not offer to present evidence that would have rebutted the presumption raised by statistics showing little integration at the professional schools.

In the area of employment, the Supreme Court held that a public school faculty lay-off quota based on race violates the Equal Protection Clause. The Court accepted the government's arguments made as amicus curiae that: (1) the same strict judicial scrutiny must be applied to all racial classifications, including those that disadvantage whites; and, (2) the concept of societal discrimination (rather than actual discrimination by a particular employer) cannot justify racial preferences. In another case, the Supreme Court ruled that Section 706(g) of Title VII of the Civil Rights Act of 1964 does not prohibit a court from ordering, in appropriate circumstances, affirmative race-conscious relief that may benefit nonvictims of discrimination as a remedy for past discrimination. The Court also held that Section 706(g) did not apply to relief awarded in a consent decree and thus, regardless of whether it precludes a court from imposing certain forms of race-conscious relief after trial, does not prohibit entry of a consent decree which provides relief that may benefit individuals who were not actual victims of a defendant's discrimination. In other areas, the Fourth Circuit accepted, in full, the Division's contention that the United States was improperly denied an opportunity to demonstrate the need for a special election in a

vote dilution case. Finally, the Supreme Court ruled that the Department of Health and Human Services had not established a factual base for its Section 504 regulation regarding medical treatment of handicapped infants. The Court affirmed a lower court injunction against further enforcement activities by that Department under Section 504 regarding medical treatment of handicapped infants but appeared to limit the injuction to actions taken in furtherance of the regulation.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil rights prosecution.....	45	44	$2,658	45	44	$2,912	45	44	$2,912	...	...	...

Long-Range Goal: To significantly reduce police criminal misconduct as well as criminal misconduct of other public officials who violate the federal criminal civil rights statutes; eliminate or substantially reduce violent activity by private citizens which interferes with federally protected civil rights on the basis of race, religion, national origin or sex, particularly interference by organized, violent hate groups such as the Ku Klux Klan and Aryan Nations; and eliminate or significantly reduce peonage and involuntary servitude violations, particularly those affecting migrant workers.

Major Objectives:

To expeditiously respond to and cause to be investigated all valid complaints of potential criminal civil rights violations.
To present potentially meritorious incidents to grand juries for investigation and, where warranted, for indictment.
To try cases in which indictments have been returned or informations filed.
To review and authorize criminal civil rights prosecutions proposed by the U.S. Attorneys.
To ensure uniform and effective application of the federal criminal civil rights statutes throughout the country.
To reduce the amount of time required to review and make prosecutive determinations on matters investigated by making decisions not to prosecute within three months of receiving a complaint; initiate prosecution on all meritorious cases within six months of receiving a complaint.
To initiate prosecution of members of organized hate groups such as the Ku Klux Klan and Aryan Nations and other persons involved in incidents of racial violence in violation of federal criminal civil rights statutes.
To continue the outreach program dealing with the victimization of migrant workers in violation of the involuntary servitude and peonage statutes.

Base Program Description: This program is responsible for the investigation and prosecution of violations of the federal criminal civil rights statutes which were designed to preserve personal liberties. Two of these laws (18 U.S.C. 241 and 18 U.S.C. 242), passed during Reconstruction, prohibit persons from acting under color of law or in conspiracy with others to interfere with an individual's federally protected rights. Other statutes enforced prohibit the holding of individuals in peonage (18 U.S.C. 1581) or involuntary servitude (18 U.S.C. 1584). The program is also authorized to enforce provisions of the 1968 Civil Rights Act (18 U.S.C. 245 and 42 U.S.C. 3631) which prohibit the use of force or threats of force to injure or intimidate any person involved in the exercise of certain federal rights and activities. Some 30 additional criminal civil rights statutes fall within the program's jurisdiction but are not frequently used.

The program receives approximately 9,000 complaints and inquiries each year. Of these, about 3,400 are fully investigated by the Federal Bureau of Investigation (FBI). Line attorneys and paralegals are responsible for reviewing the complaints and investigations and making recommendations for further action. The results of approximately 50 to 55 investigations are presented to federal grand juries each year for additional investigation or indictment, and approximately 30 cases are tried annually. Because of the seriousness of criminal civil rights violations and the need in a free society to bring sanctions to bear when such violations occur in order to maintain public confidence in our system of justice, an effort is made, consistent with available resources, to prosecute all meritorious cases in which sufficient evidence exists to establish a violation.

The Division continues to encourage the involvement of United States Attorneys in civil rights prosecutions. Experience demonstrates that prosecutions handled jointly by this program and United States Attorneys' staffs have a greater likelihood of success. Program attorneys are familiar with the substantive issues that repeatedly arise while the Assistant U.S. Attorneys are familiar with local court practices. Coordination is also required with investigative agencies, primarily the FBI but also with the Immigration and Naturalization Service (INS) and the Department of Labor.

At this level of funding, the program will achieve success in accomplishing its objectives. Resources will be available to continue the encouragement of U.S. Attorneys to take a more active role in the prosecution of criminal civil rights violations and to ensure uniform application of the statutes throughout the country. Emphasis will again be placed on prosecutions against members of organized hate groups and other persons involved in incidents of racial violence in conformance with the Department's efforts to combat violent crime. The outreach program to deal with the victimization of migrant workers will also continue.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Complaints Received	9,044	7,546	7,546	7,546
Complaints Reviewed	8,735	7,869	7,869	7,869
Matters Investigated	2,970	2,792	2,792	2,792
Matters Terminated	3,142	2,924	2,924	3,070
Average time to close without prosecution (in months)	7.3	2.9	2.9	2.8
Average time to file a case	13.2	9.7	9.7	9.2

During the year, the program reviewed over 7,500 complaints alleging criminal interference with civil rights; approximately 2,700 of these complaints were investigated by the Federal Bureau of Investigation. The results of 49 investigations were presented to federal grand juries; 35 indictments were returned and 14 informations were filed charging a total of 112 defendants, including 70 law enforcement officers. Trials were held in 34 cases, resulting in conviction for 55 defendants and acquittal for 20 defendants. In addition, the 41 defendants who pled guilty to violations of criminal civil rights statutes led to a success rate of 82 percent.

Highlights of the continued emphasis on the prosecution of incidents of racial violence include: a three-year grand jury investigation in the Western District of North Carolina into crossburnings and shootings by members of the White Knights of

liberty of the Ku Klux Klan were concluded. Of 21 individuals charged during the investigation, 19 were ultimately convicted, including three statewide leaders of the Ku Klux Klan. Sentences included prison terms of up to seven years and a total of $17,000 in fines. In Philadelphia, four defendants including a juvenile, were convicted of destroying by fire the home of a black couple who had moved into a white neighborhood in order to intimidate that family and other black families who may have wished to move into the neighborhood. The defendants received prison terms and were ordered to pay restitution to the family. In North Carolina, a white state prison guard, a member of the Carolina Knights of the Ku Klux Klan, pled guilty to interfering with the employment rights of a black correctional officer, who had filed a grievance for his unsuccessful attempt for a promotion at the correctional facility. The defendant had sought to intimidate the victim by burning a cross near his home.

Investigations into complaints alleging misconduct by law enforcement officials continued to account for much of the program's activity resulting, in one action, in the conviction of a New Jersey State Police trooper of the unlawfull beating a shackled prisoner, resulting in the prisoner's death. The trooper was also convicted, along with another state trooper, of conspiracy to obstruct justice by covering up evidence of the fatal beating and of committing perjury before the grand jury. Previous attempts at local prosecution of this incident had been unsuccessful. A direct result of the program's continued emphasis to improve the federal investigative and prosecutive efforts in curtailing police misconduct in Puerto Rico, five police officers were convicted and two others pled guilty in two cases. In both cases, victims died as a result of the unlawful acts of the officers. In North Carolina, the superintendent and five officers were indicted for the severe beatings of two inmates. Four of the defendants pled guilty prior to trial and the superintendent was convicted of conspiracy at trial. The remaining defendant, the assistant superintendent of the prison, was also convicted of perjury at a separate trial. An indictment charging 13 prison officials and guards of the Texas Department of Corrections with conspiring to cover up their involvement in the beating of an inmate, who suffered permanent brain damage, resulted in two guilty pleas while others await trial.

Cases involving violations of the peonage and involuntary servitude statutes include a trial involving the smuggling of Indonesian laborers into the United States to perform domestic work resulting in two convictions after a month long trial. A guilty plea was subsequently obtained from a third defendant who had been a fugitive. Two of these defendants were fined a total of $21,000 and ordered to pay restitution to the victims. Two wealthy homeowners, who recruited illegal aliens to perform domestic work in their homes in California, Nevada and Hawaii and who misled the victims as to their working condition and physically abused them, were tried and convicted of violations of the laws against involuntary servitude, conspiracy, transportation of illegal aliens, and escape from federal custody. In another involuntary servitude case, eight members of a religious cult called the House of Judah, including its leader who was called "the Prophet," were indicted, tried and convicted for conspiring to hold children in involuntary servitude and for the actual enslavement of one child. One child was severely beaten with an ax handle by several cult members and later died from the injuries he sustained. Eleven other children were found to have been physically abused, one child with facial burns from an iron.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Special litigation.....	57	38	$2,451	35	36	$2,620	35	36	$2,740	...	...	$120

Long-Range Goal: To establish and protect constitutional rights of institutionalized persons, mentally and physically handicapped persons of all ages, and persons confined in state and local prisons and jails and enforce federal laws prohibiting racial discrimination in all public facilities such as prisons and jails.

Major Objectives:

To investigate, upon reasonable cause, the conditions of confinement and treatment provided to persons in publicly operated institutions, and to obtain voluntary compliance in correcting any constitutional deficiencies or other violations of federal law.
As a last resort, to initiate civil actions on behalf of persons confined to publicly operated institutions wherein egregious conditions deprive them of their constitutional or federal statutory rights.
To initiate civil actions designed to remove racial discrimination from public facilities.
To participate as plaintiff-intervenor in litigation to establish constitutionally acceptable conditions of confinement, care and treatment of institutionalized populations.
To initiate and participate in litigation to remove discrimination against handicapped persons.
To ensure compliance with judgments or consent decrees obtained in the cases handled by the program.

Base Program Description: This program is responsible for the enforcement of the Civil Rights of Institutionalized Persons Act (CRIPA) which was enacted in May 1980. The Act authorizes the Attorney General to investigate and initiate civil actions on behalf of persons confined to publicly operated institutions wherein flagrant conditions deprive them of their constitutional rights. Such actions may be initiated only after appropriate state or local officials have been afforded a reasonable opportunity to voluntarily remedy unlawful conditions of confinement and have failed to do so. Persons involved include inmates of state prisons and local jails; clients of publicly operated mental health, mental retardation and juvenile detention centers; and, residents of nursing homes, facilities for the physically handicapped and chronically ill. The program also has the responsibility of enforcing compliance with federal laws which prohibit discrimination in public facilities on the basis of a person's race, color, sex, religion or national origin.

The activities of the program are based on the Civil Rights of Institutionalized Persons Act, 42 U.S.C. 1997, Titles III and IX of the Civil Rights Act of 1964, Presidential Directives of November 16, 1971, September 8, 1974, October 11, 1974, April 28, 1976, and November 2, 1980; the Rehabilitation Act of 1973, as amended; the Education of All Handicapped Children Act of 1975, and other legislation enacted which provides funding for programs for the mentally and/or physically disabled. In addition, the Attorney General has independent pattern and practice authority to file suit where a public facility is receiving revenue sharing funds and is shown to be discriminating on the basis of race, color, religion, sex or national origin.

Under requirements of the CRIPA, the Division must follow a specific enforcement format. When the program receives plausible information that the Act is being violated, it is required to officially inform the Governor or other public officials that an investigation will commence. Investigative techniques include evaluation of the institution's physical plant, programs and practices by expert consultants, review of institutional documents, interviews of persons with knowledge of the institution's operations and analysis of state plans concerning budgetary and other resources. If the results of the investigation indicate an ongoing violation of the Act, program attorneys are required to notify state officials, prior to the filing of a civil action, of the specific factors which may violate the Act and the minimum measures which must be taken to remedy the

illegal conditions. After certification by the Attorney General that appropriate state officials have been encouraged to correct deficiencies and have failed to do so, a civil action may be initiated under this Act.

When suit has already been initiated by private parties seeking redress for unconstitutional conditions, the Division may participate as plaintiff-intervenor or as amicus curiae in litigation to establish constitutionally acceptable conditions within the institution. Where an investigation indicates that a public facility practices racial discrimination in violation of Title III of the Civil Rights Act of 1964, the program staff initiates civil suit. The program initiates and participates in litigation which has as its purpose the eradication of discrimination directed against handicapped persons as mandated by Section 504 of the Rehabilitation Act of 1973, as amended.

The program monitors compliance with judgments or consent decrees previously entered in the cases on its docket by conducting on-site inspections, reviewing court-mandated reports, by authorizing FBI investigations and, in appropriate cases, by continuing contact with court-appointed monitors responsible for assuring compliance. It presently coordinates its activities with a number of federal organizations including: Federal Prison System; U.S. Marshals Service; Office of Civil Rights, Department of Health and Human Services (HHS); Office of Human Development Services, HHS; Office of Special Education and Rehabilitative Services, Department of Education (ED); President's Committee on Mental Retardation; Office of Revenue Sharing (ORS), Treasury; Office of Justice Programs; and, the National Center for Child Abuse and Neglect. The Division also exchanges information with various advocacy organizations and the American Bar Association's Commission on the Mentally Disabled.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Cases Filed	5	7	16	32
Cases Closed	1	2	8	29
Cases Pending (end of year)	33	43	51	54
Matters/Complaints	1,482	[illegible]	1,200	1,300
Matters/General	200	131	140	200
Congressional/White House Referrals	192	39	50	50
Major Institutional Investigations Initiated	12	21	21	31
Major Institutional Investigations Closed	10	6	8	30
Major Institutional Investigations Pending (end of year)	26	41	54	55

In 1986, the program took action in 21 cases, including seven cases filed pursuant to the Civil Rights of Institutionalized Persons Act. Also, 21 new investigations were initiated under the Act. Four investigations were commenced at mental health institutions; five were initiated at mental retardation facilities; one at a nursing home; two at juvenile detention centers; and, nine at adult penal institutions. Enforcement actions include: a move for a preliminary injuction to enjoin the County of Los Angeles from interfering with the Division's investigation and granting us access to the Los Angeles juvenile halls. The court granted our motion and issued a permanent injuction barring the County from imposing state confidentiality laws to control access to the facilities and their records. When attempts by program staff at reaching settlement agreements which

violations of Section 203 of the Act against McKinley County, New Mexico, which was resolved by consent decree; one enforcement action under Section 5 of the Act seeking to enjoin the use of unprecleared at-large elections for two school board seats; and, intervened in one lawsuit to defend the constitutionality of the 1982 Amendments to Section 2 of the Act. The remaining six cases included two where objections interposed under Section 5 of the Act led to declaratory judgment actions against the United States by the State of North Carolina, which is seeking judicial preclearence for the use of staggered terms in multi-member judicial districts; the Brunswick-Glynn County, Georgia, Charter Commission which unsuccessfully sought judicial preclearence of the referendum method for consolidating the city and county governments. The Attorney General was a nominal defendant in two cases where Section 5 was cited in private plaintiffs' complaints. Section 5 also was the subject of two cases in which the Division participated as amicus curiae, one where the court ruled, as the Division urged, that the lawsuit to the City of Franklin, Virginia, to enjoin the impact of our Section 5 objection to three annexations; could only be brought in the District of Columbia; and, the other, where program staff provided to the court Division views on the kind of redistricting plan that would resolve the Section 5 objections that have been interposed to Sunflower County, Mississippi, redistricting plans.

In other litigation during the year, boundary lines for city council districts in Chicago, Illinois, and in Los Angeles, California, were redrawn as the result of program law suits that claimed the lines as originally drawn diluted the voting rights of, respectively, black, and black and Hispanic voters. Special elections were scheduled in both cities to give their residents an opportunity to choose representatives from the new, fairly drawn districts, and, in Chicago the results made a significant difference in the make-up of the city council. The Los Angeles election has not yet been held.

Consent decrees required that single-member district election plans replace at-large methods of election in Darlington County, South Carolina; Wilson County, North Carolina; Chavez County, New Mexico; the Roswell, New Mexico, Independent School District; the City of Demopolis, Alabama; and the City of Bessemer, Alabama, where the decree also required the city to adopt a racially nondiscriminatory annexation policy and to hold annexation referenda in near-by areas of predominantely black population that previously were not permitted to become a part of the city. In Bessemer's first elections after new districts were adopted and surrounding territory was fairly annexed, black persons, who never had won an election for city office, were elected to four of the seven city council seats.

Another racially selective annexation policy was enjoined by the terms of a consent decree in a Section 2 lawsuit against the Town of Indian Head, Maryland. The program successfully opposed racially motivated annexations by the all-white City of Pleasant Grove, Alabama, in a declaratory judgment action by the city before a three-judge court under Section 5 of the majority vote requirement for the election of council members in the City of Barnwell, South Carolina, where the city had not asked for preclearence of these potentially discriminatory practices when it submitted other, related election procedures.

Under the special provisions of the VRA that authorize the Attorney General to assign federal observers to monitor elections to ensure that the right to vote and to have the vote properly counted is not denied during the election process, 431 observer were assigned to cover 11 elections in 17 counties in five states in 1986. Included in this activity were the first ever assignments of federal observers to New York (for the 1986 municipal primary election in the three specially covered New York City counties) and to New Mexico (for the court certified counties of McKinley, Cibola and Sandoval during the 1986 primary election), to monitor compliance with the language minority provisions of the VRA.

In continuing its efforts to assure that jurisdictions' voting and election procedures do not violate the rights of protected classes of voters under federal civil rights laws, the program conducted a survey of the methods of election in the State of Arkansas with regard to Section 2 of the VRA for the councils of 27 counties and 16 cities in which minorities comprise a significant percentage of the populations, and a survey of all 40 specially covered counties in North Carolina to determine whether changes in their method of election and, for the county school boards, changes in their voting constituency have been submitted for preclearance under Section 5 the Act. Violations of federal law that were disclosed by these surveys are being pursued and the program was successful in obtaining the submission of nine previously unprecleared changes made by North Carolina county commissions.

The program continued to maintain contact with the Department of Defense Federal Voting Assistance Program, the Federal Election Commission National Clearinghouse on Election Administration and the Office of Personnel Management to coordinate with and assist the personnel in those agencies who have responsibility for implementing programs relating to statutes enforced by the program.

Program Changes. This request of an additional $280,000 will allow the program to hire nongovernment consultants to perform statistical and computer services to enable it to conduct VRA activities, specifically Section 2 investigations and litigation and Section 5 preclearance and litigation in a manner conducive to settlement pre-suit or by consent decree, allowing for an increase in the program's productivity.

Consultants are retained primarily to assist in formulating large data bases and in analyzing election data to determine the existence and degree of racially polarized voting. The racially polarized voting analysis has become increasingly complex in recent years, as the issue of racial bloc voting has occupied center stage in cases brought under Section 2 of the VRA. The general policy is to evaluate election data before recommending a Section 2 lawsuit. However, inadequate resources have precluded this and the analysis of bloc voting set out in the justification memoranda to file suit is preliminary. The Assistant Attorney General and the U.S. Attorneys have in several instances suggested that a consultant be retained to do the required in-depth analysis before a decision to institute legal proceedings is made. Due to severe budgetary restraints, funds were not available from Division resources to contract for consultant services; therefore, litigation was begun and a Expert Witness was hired to perform the required analysis. In addition, consultants could be exceedingly beneficial in the review of complex preclearance submission under Section 5 of the VRA. They could assist by analyzing election data to determine estimates of potential political participation by minorities. In addition, census data is available by race but election data is not always so maintained. Therefore, much staff time in Section 5 review and litigation is spent developing a workable election data base to permit racial bloc voting analysis and census population data to be used interchangably. Consultants would be invaluable in setting up such data bases. Given the extensive need for consultants in this area, a request for $280,000 is reasonable. Denial of this request would result in a status quo in productivity and the continued filing of cases which may not have required court involvement if consultant services were available.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Employment litigation.....	63	64	$3,625	63	64	$4,090	63	64	$4,490	...	...	$400

Long-Range Goal: To reduce discrimination in employment by state and local governmental units and private federal contractors.

Major Objectives:

To eradicate unlawful employment discrimination.
To develop the legal principles necessary to create a nationwide climate where voluntary compliance with laws and orders against discriminatory employment practices can be achieved.
To monitor and enforce existing court orders to ensure compliance so that the results sought by litigation are obtained.
To enforce, through Division-initiated litigation, Title VII in the public sector.
To issue right-to-sue notices to persons who have filed public sector charges with from the Equal Employment Opportunity Commission (EEOC).
To litigate in both the public and private sectors based on referrals from the EEOC and the Office of Federal Contract Compliance Programs (OFCCP).
To cooperate with attorneys and private litigants by intervening or by participating as amicus curiae in private suits when the Federal Government's position is important to the development of case law.

Base Program Description: This program addresses the problems of discriminatory employment practices of state and local governments and private federal contractors. The failure to remedy discriminatory conduct against those persons will be reflected not only in immediate disadvantages, but also in a perpetuation of the effects of past discriminatory practices.

The program enforces federal laws which prohibit discriminatory employment practices which result in the denial of equal employment opportunities because of race, color, religion, sex, national origin or handicap. Approximately 10 million jobs involved in the public sector and upwards of 30 million jobs in the private sector are subject to Executive Order 11246.

This program investigates and, when necessary, initiates litigation with respect to problems peculiar to employment discrimination. Litigation is used only when negotiation does not result in voluntary compliance. All suits, whether in the public or private sector, seek to remedy all forms of purposeful discrimination and practices having a discriminatory impact such as those that result from the use of unvalidated tests and other selection and promotional practices and standards which have disproportionate adverse impact upon racial, ethnic, and religious minorities and upon females; abuses of managerial discretion; and, discriminatory training systems and programs. Major elements of relief sought include: reformation of seniority and transfer systems, restructuring of lines of promotion, numerical recruitment goals for minorities and females, validation of tests and other selection and promotional practices, elimination or change of other employment practices having unnecessary discriminatory effects and back pay. The Division is currently seeking new and innovative methods to remedy the problem of employment discrimination. Litigation conducted by the program is concluded by consent or litigated decrees. Preparation time for trial has, in some instances, increased dramatically because of resistance to the Division's enforcement efforts by intractable defendants.

The centralization of this effort within this Division provides national coordination of activities among EEOC, OFCCP, the Office of Justice Programs, and the Office of Revenue Sharing.

The program is charged with enforcing the following statutes and Executive Orders:

-- Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, 42 U.S.C. 2000e, et seq.
-- Title IX of the Education Amendments of 1972, 20 U.S.C. 1681, et seq., in matters involving discriminatory employment practices.
-- Title I of the State and Local Fiscal Assistance Act of 1972, as amended by the State and Local Assistance Amendments of 1976, 31 U.S.C. 1221, et seq.
-- Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended through the Crime Control Act of 1976, 42 U.S.C. 3701, et seq.
-- Executive Order No. 11246, as amended, which prohibits employment discrimination by federal contractors or subcontractors or on federally funded projects.
-- Sections 503 and 504 of the Rehabilitation Act of 1973, 29 U.S.C. 793, et seq.

The degree of this program's success will be measured both by statistical analysis of changes in employment patterns and by a reduction in the number of complaints of discrimination filed with the EEOC and other agencies. Hopefully, the program's litigation effort will have the desired impact on not only those employers and administrative units sued by this Department, but also on other units in the form of the development and meaningful implementation of appropriate affirmative action plans.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

Item	1985	1986	Estimates 1987	1988
Agency Referrals	263	122	225	300
Investigative Matters Received	15	34	20	25
Cases Commenced	9	29	15	25
Cases Terminated	5	6	10	10
Right-to-Sue Notice Requests Received	1,190	1,300	1,300	1,300
Right-to-Sue Notices Issued	1,368	1,471	1,400	1,400
Decrees Enforced	154	147	175	225
Decrees Obtained	11	24	20	25

During the year, the program filed 23 new suits pursuant to Title VII of the Civil Rights Act of 1964, as amended, and other provisions of federal law prohibiting discriminatory employment practices. Twenty-four decrees were obtained in 23 cases. Nineteen of these decrees were in full resolution of cases filed, four decrees and orders were filed in three suits to resolve the remaining issues in suits that had previously been partially resolved, and one order was entered in partial resolution of a motion for supplemental relief. The decrees and orders provided for the payment of over $1,900,000 in back pay to persons identified as having been harmed by the defendants' prior practices. The decrees and orders also provided for priority job offers to such persons, the elimination of unlawfully discriminatory practices, and the enhanced recruitment of the group(s) previously excluded. In another case, a court ruling was obtained holding the use of a promotional fire captain examination, which was developed and administered by a state civil service agency for municipal fire departments in the state, as unlawful and a violation of an earlier decree.

Consistent with the policy of seeking to vindicate rights of individual victims and of supporting efforts of the EEOC to obtain voluntary compliance with Title VII, nine of the new suits filed during the year were based in whole or in part on referrals from that agency which involved allegations of discriminatory practices made by individuals. While these suits are usually small in scope, the cases are designed to enhance the Commission's ability to obtain relief through negotiations with other employers.

During the year, two decrees which were more than four years old were dissolved with program agreement and a third decree of that age was extended with program agreement. Highlights of the program's litigation efforts are: Implementation of a program to eliminate durational residency requirements for application for municipal employment and related practices by Cook County towns. These requirements operate to exclude non-residents from employment with the towns. Because the residents of the towns are all or substantially all white, the requirements operate to exclude all or substantially all black applicants from competing for jobs with the towns. During the year, the program prosecuted an appeal from the district court's denial of our motion for a preliminary injunction on this issue and obtained a favorable appellate ruling. Thirteen additional suits and four motions for summary judgement were filed by the program. Satisfactory decrees were obtained in the Cicero case and in eight of the newly filed cases. The five remaining cases involve: two of which are pending on our motions for summary judgements and, in the alternative, for preliminary injunction; the first suit alleging sexual harassment of female employees by a superior, which was successfully resolved; the entry of a consent decree in a suit alleging systemic discrimination against American Indians by a municipal employer, (The decree calls for $750,000 in back pay and priority job offers to at least 225 American Indians and three non-Indian women with retroactive seniority. Program staff think that this decree provides the most thorough relief and the greatest amount of back pay for American Indians in any employment discrimination case.); and, the entry of a consent decree with a major police department which calls for the development and validation with Division cooperation of an examination for entry level police officer. Other police departments have already joined in this effort which is the Division's first to help fill the void caused by the absence of lawful objective selection devices for entry level police officer.

The program continued to make extensive use of the Division's growing computer resources in the prosecution of suits and in the identification of persons harmed by the discriminatory practices of defendants both in contested litigation and pursuant to consent decrees. For example, the program's adverse impact proof in one major suit has been analyzed from the defendants' own machine readable records; and the data contained in more than 4,000 claims filed in four other cases have been matched by computer against the job openings and the competing candidates who received the jobs.

Program Changes. The request of $400,000 will enable the program to hire nongovernment consultants to perform statistical and computer services to permit the program to conduct Title VII of the Civil Rights Act of 1964 investigations and litigation in a manner conducive to settlement pre-suit or by consent decree, allowing for an increase in the program's productivity.

In pattern and practice cases against state and local governments, the staff often confronts employment selection devices, such as tests, that have an adverse impact on minorities or women. To verify the validity of these tests, industrial psychologists are hired as expert witnesses to examine the tests and any accompanying validity studies performed by the employer to determine whether the tests are job-related as required by Title VII of the Civil Rights Act of 1964. The examination of the validity studies must include analysis and review of the statistical methodology and statistical results presented in these studies to ensure that the methodology is sound and the statistics accurate and complete. Outside personnel skilled in computer programming and statistical analysis, working in coordination with the industrial psychologists, are retained to

perform this statistical work. In pattern and practice cases that allege discriminatory hiring, there are often issues as to the employer's relevant labor market from which applicants should be drawn, percentages of qualified minorities or women in that labor market, numbers and percentages of qualified minorities or women who have applied for work with the employer, and the employer's hiring patterns with respect to minorities and women. Labor economists and/or statisticians hired as expert witnesses, necessitating early filing of suits and providing defendants in cases with the advantage of having access to our evidence prior to trial, must perform extensive statistical studies and, if necessary, the preparation of data bases. This too requires the type of outside personnel used by industrial psychologists. All of these tasks are massive and complex and most have a very tight timeframe. Based on the amount of work involved in these projects, a request of $400,000 is modest. Denial of this request would result in a status quo in productivity and the continued filing of cases which may not have required court involvement if consultant services were available.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Coordination and review.....	39	42	$2,329	39	42	$2,557	39	42	$2,557	...	...	...

Long-Range Goal: To achieve consistent and effective enforcement of various laws and regulations prohibiting discriminatory practices in federal programs and programs receiving federal financial assistance; maximize use of existing federal, state, and local civil rights enforcement resources; and, minimize the costs associated with federal civil rights programs while maintaining the level of responsiveness to citizens who feel that their civil rights have been violated.

Major Objectives:

To maintain continuing oversight and control of all Executive agencies covered by Executive Order 12250.
To maintain a continuing liaison with other legal divisions, the U.S. Attorneys' offices, other programs of the Civil Rights Division, and other federal agencies regarding civil rights litigation.
To review, evaluate, and monitor, on an annual basis, all implementation plans submitted by Executive agencies.
To review those proposed or final agency regulations or substantive amendments to existing regulations which are promulgated under a statute subject to Executive Order 12250.
To provide agencies with guidance in the form of prototype regulations for implementation of Section 504 of the Rehabilitation Act of 1973, as amended, as it concerns federally conducted programs.
To provide staff support to the Assistant Attorney General for Civil Rights as Chairman of the Interagency Coordinating Council (ICC) and as a member of the Architectural and Transportation Barriers Compliance Board (ATBCB).
To provide assistance to Department of Justice (DOJ) organizations in the development and implementation of a Section 504 regulation covering the Department's federally conducted programs and activities.

Base Program Description: This program ensures that all federal Executive agencies effectively and consistently implement Title VI of the 1964 Civil Rights Act, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the nondiscrimination provisions of other federal grant statutes prohibiting discrimination on the basis of race, color, national origin, handicap, religion or sex. Under Executive Order 12250, the program undertakes a diverse array of

regulatory and administrative initiatives. The program reviews all new civil rights regulations for consistency, adequacy, and clarity; assists agencies on new civil rights plans; offers agencies training and technical assistance to improve their civil rights enforcement procedures and programs; and, promotes interagency information sharing and cooperation.

In addition, the program provides litigation support to the Office of the Solicitor General, the Civil Division, and other federal agencies in various lawsuits. This assistance takes many forms including providing advice on the strategy of a case or on particular motions or briefs, writing pleadings and affidavits, preparing court requested status reports, answering interrogatories, and furnishing testimony. Finally, the program provides staff support to the Assistant Attorney General for his roles on the ICC and on the ATBCB.

At this level of funding, this program will be able to adequately address the responsibilities assigned to the Attorney General by Executive Order 12250. The program will be able to handle the growing demand from agencies for legal guidance and continue to provide staff support to the ICC and ATBCB. In addition, some discretionary objectives (e.g., provision of technical assistance, training sessions and conducting in-depth reviews of agency programs) will be possible. Also, the program will be able to assist the DOJ organizations in implementing its Section 504 federally conducted regulation.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

Item	1985	1986	Estimates 1987	1988
Non-Regulatory Documents Reviewed	547	327	437	454
A-11 Analyses	27	27	28	28
Responses to Citizens and Public Officials	224	218	221	230
Agency Reviews Conducted	27	27	27	28
Delegation Agreements Developed or Implemental	...	4	4	4
Training/Presentations Provided	14	5	9	10
Litigation Documents Prepared or Reviewed (e.g., Pleadings, Briefs, Interrogatories)	55	45	40	42
Legal Policy and Program Guidance Developed	58	33	45	47
Technical Assistance Provided	945	850	897	933
Regulations Reviewed	59	93	76	79

In 1986, the program continued to assist federal agencies in developing and publishing regulations implementing the amendments to Section 504, which prohibit discrimination on the basis of handicap in the programs and activities conducted by the agencies.

Comments on proposal or final regulations of 12 agencies, including (1) a final Section 504 regulation published by the Federal Deposit Insurance Corporation, and (2) publication by the Farm Credit Administration and the Panama Canal Commission of Notices of Proposed Rulemaking. As a result of prior arrangements made with the Office of the Federal Register to coordinate joint publications of proposed Section 504 regulations, the first and second joint publication of proposed

regulations for 39 agencies were published. To carry out the requirements of the DOJ's Section 504 regulations, the program has continued working with the component agencies within the Department in the writing of a transition plan and in the conducting of self-evaluation of compliance with Section 504. Additionally, the program continued to provide staff support to the ATBCB and the Assistant Attorney General for Civil Rights, in his capacity as Chairperson of the ICC.

Under Executive Order 12250, the program reviews the civil rights programs of covered agencies in order to identify programs, provide for technical assistance needs, and to assess compliance with existing Department standards and policies. In its clearinghouse role, the program handled a variety of citizen, agency and congressional inquiries and complaints, including referring matters to the appropriate agencies. The program also reviewed the civil rights implementation plans and Office of Management and Budget Circular A-11 responses of 25 agencies. Finally, the program reviewed and commented upon numerous revisions or amendments to agencies' regulations that prohibit discrimination in programs and activities receiving federal financial assistance.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Housing and civil enforcement.....	33	34	$1,973	33	34	$2,062	33	34	$2,062	...	...	...

Long-Range Goal: To eliminate a significant portion of the illegal discrimination on the basis of race, color, sex, religion or national origin in housing opportunities and credit transactions related thereto; secure general compliance with the Equal Credit Opportunity Act (ECOA) and its implementing regulations which make it illegal for a creditor to deny credit on the basis of race, color, national origin, sex, marital status, religion or age; secure general compliance with federal statutes requiring nondiscrimination on the basis of race, color, religion or national origin in the provision of municipal services and coordinate the U.S. Attorneys' enforcement of federal laws prohibiting discrimination in places of public accommodation on the basis of race, color, religion or national origin.

Major Objectives:

To investigate compliance with and initiate litigation to enforce the Fair Housing Act and the ECOA, and bring such litigation to successful completion.
To initiate litigation, upon referral from the Department of Housing and Urban Development (HUD), to remedy local government bodies' noncompliance with their housing-related obligations under the 1974 Housing and Community Development Act.
To monitor final court orders resulting from suits under the Fair Housing Act and the ECOA, and move for contempt of court or other relief where the facts warrant.
To communicate equal housing and equal credit opportunity information to the public by liaison with federal, state and local enforcement agencies.
To investigate compliance with and initiate litigation to enforce the provisions of the Revenue Sharing Act, 31 U.S.C. 1242, and the 1974 Housing and Community Development Act, 42 U.S.C. 5309, relating to municipal services.
To direct and generally supervise the U.S. Attorneys' in the enforcement of Title II of the Civil Rights Act of 1964 (Public Accommodations) and, in appropriate circumstances, initiate lawsuits under this statute.

Base Program Description: In November 1985, the Housing and Civil Enforcement Program was established to carry out the Division's enforcement program related to the Fair Housing Act, the 1974 Housing and Community Development Act, the ECOA, Title II (public accommodations) of the Civil Rights Act of 1964 and those statutes prohibiting discrimination in the provision of municipal services under federally funded programs. The program has placed increased emphasis on the Division's Fair Housing Act enforcement activity and on working with HUD to identify and bring to court persons and corporations operating in violation of that statute. It also provides any necessary support for legislative initiatives relating to fair housing which the administration may propose or support.

The major objectives of the program are accomplished with assistance from local U.S. Attorney offices and the Federal Bureau of Investigation. The housing and credit program activities must be coordinated with HUD, the Federal Reserve Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, the Federal Trade Commission, and the National Credit Union Administration. HUD's responsibilities under the Fair Housing Act include the investigation and conciliation of individual complaints alleging prohibited discrimination. HUD also refers certain matters to this program that it thinks merit consideration under the Division's pattern and practice jurisdiction. Coordination with HUD is thus required so that a sound and consistent policy may be developed in the interpretation of the Fair Housing Act and in the types of relief that are appropriate for victims of prohibited discrimination. Coordination with the agencies responsible for overseeing the operations of creditors is necessary to obtain information about patterns and practices of discrimination and to avoid duplication of enforcement effort. Coordination is further required with those state and local civil rights agencies that have jurisdiction under local law to seek to prevent the types of prohibited discrimination covered by federal law. Current and planned mechanisms include an exchange of information among program staff at HUD and other agencies that have Fair Housing Act and ECOA responsibilities.

At the proposed level of funding the program will be able to continue an effective litigation program to enforce the Fair Housing Act and the ECOA. The program will initiate a significant number of standard suits and a few of the more complex cases involving racial redlining by lenders or actions against municipalities for housing or services violations. The program will conduct investigations of municipalities for possible action relating to services and bring one or two cases pursuant to the revenue sharing statute.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

Item	1985	1986	Estimates 1987	1988
Cases/Matters Received	250	204	250	250
Investigations Conducted	180	184	185	210
Matters Closed	200	155	120	120
Cases Filed	25	20	25	30
Cases Closed	10	12	15	19
Judgments/Decrees Obtained	21	17	20	22

Program staff represent the United States in suits alleging a pattern or practice of violations of the Fair Housing Act. Suits involve such prohibited actions as refusal to sell or rent a dwelling to a person on the basis of race, color, national

origin, sex or religion; zoning and other exclusionary practices, such as the withdrawal from programs intended to provide housing for minority persons because of the race of the potential residents; and, failure to count the income of women on the same basis as men in determining whether to make housing available to an applicant. During 1986, the program filed 12 Fair Housing Act cases and successfully negotiated consent decrees in 11 suits. The cases initiated include suits against apartment owners, rental agencies, real estate firms, resort developments and the publishers of a state-wide daily newspaper. One suit involved a race discrimination claim against a 1,200 unit apartment complex and another sought to undo the racial preference scheme of a public housing authority. A significant settlement was reached with a Chicago suburb that had acted to exclude blacks from living in town.

Since the passage of the ECOA, program personnel have worked closely with federal regulatory agencies and have filed significant suits challenging the nonhousing lending practices of banks, credit unions, small loan companies and retail creditors. Similar suits have been brought under both the ECOA and the Fair Housing Act to correct the unlawful practices of mortgage lenders. During 1986, the program commenced four cases under the ECOA and resolved, through consent decrees, four suits. Two of the cases involved creditors with offices in a number of California cities: a thrift institution with 17 offices and a lender with 72 offices. Another case alleged that a North Dakota bank, in making loans, discriminated against Indians living on a nearby reservation.

After responsibility for coordinating the Title II enforcement efforts of the U.S. Attorney Offices was transferred to the program in 1985, additional steps were taken to uncover violations in this area. As a result, six new cases were filed in 1986 alleging Title II violations, four by the Section and two by U.S. Attorneys, and six were resolved through decrees. In three of the cases, nightclubs were accused of discriminating against blacks by refusing them admittance or service or by imposing different terms or conditions upon admittance or service than were imposed on white patrons. Two other cases involved swim clubs which allegedly discriminated against blacks by denying them admission or membership on the same conditions admission or membership was made available to whites.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Educational opportunities.....	33	33	$1,902	31	31	$2,033	51	31	2,033	...	...	...

Long-Range Goal: To eliminate segregation in districts formerly operating dual school systems and reduce, in substantial measure, the need for court supervision of public elementary and secondary school desegregation in these districts; make substantial progress in eliminating unlawful segregation and discrimination in public schools in districts where there is no history of a statutorily required dual system; eliminate continuing denials of equal educational opportunities in public school systems; eliminate discrimination in and/or denial of educational opportunities to Native Americans; eliminate the vestiges of unlawful, racially dual systems of higher education; and, assist the Department of Education (ED) in enforcing assurance of compliance with civil rights laws, such as Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and Section 504 of the Rehabilitation Act of 1973, as amended.

Major Objectives:

To initiate, or participate in, litigation designed to bring about the orderly desegregation of schools pursuant to Title IV of the 1964 Civil Rights Act and the Equal Educational Opportunities Act of 1974.
To seek supplemental relief designed to eliminate the vestiges of racially dual school systems and to achieve compliance with constitutional requirements. Such relief in southern school districts will lead to the elimination of the need for judicial supervision of many of these school districts.
To participate in litigation, involving educational institutions, designed to eliminate denial of equal protection of the laws on account of sex.
To file lawsuits, upon referral from ED, to enforce nondiscrimination assurances made by educational institutions receiving federal funds.
To defend ED against court challenges to its authority to enforce civil rights assurances by federal recipients through the administrative process.
To initiate litigation to secure equal educational opportunities for students in public school systems and educational institutions receiving federal financial assistance without regard to race, color, national origin or sex.

Base Program Description: The major objectives of the program are accomplished with assistance from local U.S. Attorney's offices and the Federal Bureau of Investigation. The work of the program regarding school desegregtion requires coordination with the Office for Civil Rights (OCR), ED. In defensive cases, coordination includes securing litigation reports from the client agency, joint planning of litigation strategy, mutual review of pleadings and other papers, and supervision of agency personnel with respect to the preparation of such cases for trial.

The program devotes a significant amount of resources to a project of reviewing longstanding school cases to determine those school districts which have fully complied with court orders issued against them and therefore should be released from further court supervision. Finally, the program implements a compliance monitoring sub-unit which is responsible for monitoring defendants' compliance with outstanding court orders. Coordination with the Civil Division is necessary from time to time to ensure uniformity in defensive cases handled by both divisions. When education matters might be referred to the program, alvance planning with OCR is undertaken to ensure that cases referred are worthy of litigation. Direct and ongoing coordination with OCR is also necessary to ensure nonduplication of investigative efforts since complaints are frequently filed with the Division and OCR simultaneously.

Program resources will be expended primarily to litigate existing cases and, when necessary, to move for supplemental relief in cases previously decided. Other activities will be limited because higher education cases place such heavy demands on resources. However, the program will continue to institute cases to eliminate denials of equal educational opportunities. As resources permit, field surveys and investigations will be conducted in the expectation of generating new suits and/or enforcement motions in existing cases and the project of closing old school cases will continue.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

74-166 O—87—19

Item	1985	1986	Estimates 1987	1988
Cases/Matters Received	306	290	300	350
Investigations Conducted	292	290	300	325
Matters Closed	256	200	280	300
Cases Filed	2	8	12	15
Cases Closed	...	50	60	74
Defensive Cases in Progress	4	5	5	5
Judgments/Decrees Obtained	36	30	35	40

Significant actions during the year include an order entered by the court finding the State of Alabama liable for continuing racial vestiges in its public system of higher education. Four Alabama public institutions, which opted to sign consent decrees rather than litigate the issues, completed their first year under those decrees and reported some very positive results. One of the most significant accomplishments of the program was the final resolution of the Yonkers, New York, housing and school case, where the court entered a 600 page opinion finding the defendants guilty of racial discrimination in the areas of housing and schools; subsequently, the court approved remedial plans covering both areas. A lawsuit was filed against Oktibbeha County, Mississippi, alleging that the school system is engaging in discriminatory practices with respect to students and teachers. A suit initiated against Richland Parish, Louisiana, was resolved following extensive negotiations. The settlement resolves student assignments, hiring and equal educational issues. A third suit was filed, pursuant to Section 504 of the Rehabilitation Act of 1973, against the University of Alabama at Birmingham, following the breakdown of presuit negotiations.

In addition, the program significantly increased its expenditure of resources in defending ED in several suits. Fort Wayne, Indiana, school officials sued the ED in federal district court in an attempt to stop the Department from proceeding with an administrative proceeding against Fort Wayne schools. The Justice Department was successful in obtaining a dismissal of the suit and allowing the administrative proceeding to continue.

In another defensive suit, ED was successfully defended in a suit filed by Morris County (New Jersey) Junior College, and again obtained a dismissal of the case. A longstanding defensive case involving the Cincinnati, Ohio, school district's entitlement to Emergency School Aid Act funds was resolved; the Court found that the school district was entitled to receive funds previously withheld by the then Department of Health, Education and Welfare.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and administration	54	66	$5,524	54	66	$3,911	54	66	$3,911	...	...	...

Long-range Goal: To reduce the incidence of illegal discrimination in the nation through provision of guidance and definition of the Civil Rights Division's mission and priorities and provide to the public such access to Division records as is

permissible under controlling law; provide to the enforcement and regulatory activities of the Division all the necessary executive direction, administrative support, training, and operational support required to enable the programs to substantially reduce discrimination in all subject areas enforced; and, improve and maintain more cost-effective systems support and equipment to allow increased efficiency and work per employee.

Major Objectives:

To coordinate the Division's enforcement activities appropriately with related activities of other components of the Department and other enforcement agencies.
To participate effectively in Departmental, Executive Branch and government-wide efforts to clarify or strengthen jurisdiction and authority and to establish or improve policies and procedures which govern litigation, administrative enforcement and program operation.
To evaluate policies, procedures and systems; anticipate the workload, as well as resource and time expenditures of the programs; and, to develop and implement plans for changes which would render them more efficient, effective and responsive to constituent concerns.
To establish and maintain relationships with public interest groups, members of Congress and other constituent representatives which permit constituent concerns to be communicated to the Division and Division activities to be explained to constituents' representatives.
To answer Freedom of Information Act (FOIA) requests within 10 days and Privacy Act (PA) requests within 20 days; minimize the number of appeals from denials of records requests by adhering to a standard of maximum disclosure permissible under controlling law; and, assist the Civil Division and U.S. Attorneys defending the Department in litigation arising from the denials of FOIA requests and out of cases and matters of historic interest on which the Department file is closed.
To provide cost-effective and responsive management and automation systems capabilities to address management, administrative and litigative requirements.
To review, analyze and respond (on behalf of the Assistant Attorney General) to letters, memoranda and other communications directed to the Division by the White House, Congress, other federal departments, private corporations and citizens; and issue Criminal Non-prosecution Notices to government and private sector organizations and to citizens as appropriate.
To provide all of the general administrative support necessary to enable Division personnel to enforce federal civil rights laws, including the following administrative activities: budget formulation and execution; personnel services and training; outside contracts and procurement; mail distribution; space management; supply, equipment and reproduction services; and, other support services not specifically defined in other programs.

Base Program Description: The first four objectives reflect the direct responsibilities of the Assistant Attorney General for Civil Rights, the Division's three Deputy Assistant Attorneys General, the Executive Officer and their immediate staffs. As a rule, supervisory responsibility over matters involving investigative and litigative strategy, relations with the FBI, and preclearance of changes in localities' voting practices and procedures is divided among two of the Deputy Assistant Attorneys General for action or oversight; matters involving long-range program planning and evaluation or relations with U.S. Attorneys, other components of the Department, other agencies, the Congress and some public interest groups are generally assigned to the third Deputy Assistant Attorney General; and, matters involving finance, personnel, and support services are assigned to the Executive Officer who is the manager of the Administrative Management Unit of the Program.

The Assistant Attorney General also represents the Attorney General on interagency councils concerned with civil rights issues. In that connection, he serves as chair of the Interagency Coordinating Council established by Section 507 of the Rehabilitation Act of 1973, as amended, and as a member of the Architectural and Transportation Barriers Compliance Board established by Section 502 of that Act. The Assistant Attorney General personally approves case filings, interventions and amicus participations, major investigative undertakings, major enforcement motions, novel legal positions, major consent decrees, and closings of investigations of death cases. Personnel matters are considered jointly with the Deputies or are assigned on an ad hoc basis.

The fifth objective is assigned to the FOIA/PA Unit, which reports to a Deputy Assistant Attorney General on legal matters and to the Executive Officer on operational matters. The Executive Direction and Control Unit of the program is organized to handle responsibilities which cut across the responsibilities of all of the other programs of the Division. Through this structure, the Division is able to use consistent standards and procedures in responding to FOIA/PA requests, to ensure that the most sensitive, complex or massive cases are handled by the most senior trial attorneys, and to weigh and balance personnel, resource and support needs of the Division's programs. Coordination and interaction with other components of the Department, other agencies, the Congress and public interest groups are handled either by Division officials directly or are delegated to personnel in other programs and reported to Division officials to ensure consistency and effective coordination on program and operational issues.

The remaining objectives are handled by the Administrative Management Unit of this program. The administrative and training functions are conducted through a centralized operation rather than by having individual programs furnish their own services. This avoids position duplication, permits flexibility for the use of resources, and provides greater management control.

At this level of funding, the staff that provides planning, evaluation, direction and control initiatives; coordination of other offices; participation in policy groups; maintaining liaison with constituent representatives; and, administrative and operational support will perform at an effective level. The FOIA/PA Unit will be able to handle approximately 40 percent of the FOIA/PA requests pending and received.

The Division remains committed to the most effective use of its Automated Data Processing (ADP) systems as a means of developing and implementing systems which will enhance the productivity of the entire staff. Management and other key personnel have completed specially designed computer courses and have become familiarized with the innovative litigation systems capable of being developed within each program. In keeping with the trend toward decentralized information systems, programs are now able to meet their own particular needs with the introduction of the personal computer. The Division's plans for automation were delayed due to insufficient resources. Complaints from attorneys required the reprogramming of funds originally slated for other projects to enable the Division to expand decentralization and thereby increase its litigation support systems. Division attorneys must have litigative systems at their disposal which will enable them to deal with opponents who have access to the latest state-of-the-art technology for litigative purposes. The implementation of AMICUS II (see Accomplishments and Workload) will supply the information support required by Division personnel.

Accomplishments and Workload: The accomplishments of this program are presented in the following table:

Item	1985	1986	Estimates 1987	1988
Legislative Comment and Testimony	60	60	70	70
FOIA Requests				
Pending from Previous Year	163	207	135	85
Received	187	124	155	195
Processed	143	196	179	229
PA Requests				
Pending from Previous Year	244	379	133	58
Received	423	308	349	409
Processed	288	554	379	454
Correspondence Received, Classified and Delivered	100,000	96,731	100,000	100,000
Citizen Complaint Responses Prepared	6,600	5,917	7,500	7,500
Administrative Support Correspondence Documents Prepared	6,000	2,330	10,000	10,000
White House/Congressional Replies Controlled	629	749	800	800
Criminal Non-prosecution Notices Processed	6,719	6,490	7,000	7,000
New Files Created	948	2,894	1,000	1,200
File Storage Requests Filled	163	64	175	175
File Retrieval Request Filled	525	1,590	750	750
Management Information Systems	42	40	43	63
Management Information Reports	700	650	700	900
Litigation Support Projects	46	54	62	82
Litigation Support Reports	675	825	900	1,150

There is no meaningful way by which the workload of program and operational planning, direction, control and evaluation activities can be measured. These management activities are by nature non-quantifiable and are best measured by the performance of the other programs which are managed by this one. However, the Division is developing a Work Measurement System within AMICUS II which will assist Division managers in measuring, in a more efficient statistical fashion, the inputs, outputs and performance of the other programs, as well as the resources required by each program. The system will be in direct support of the Department's case management system.

The program has several direct mission responsibilities in the law enforcement area which are in addition to the usual support activities. These include the direct handling of thousands of citizen complaints and requests for information concerning their rights and the handling of Criminal Non-prosecution Notices. Correspondence received has included requests involving the Civil Rights Restoration Act of 1986, status of affirmative action legislation pending before Congress (Executive Order No. 11246) and the Vincent Chin case.

A major goal for the Administrative Management Unit of the program continues to be increasing productivity within the Division through the development and use of modern information technology. The focus of this initiative is: (1) the continued acquisition of microcomputers coupled with the elimination of less efficient dedicated word processors; and, (2) the adoption and expansion of networked office automation combined with the phasing out of the Division's seven-year-old

minicomputer. The Division has been using approximately 81 microcomputers for a variety of purposes ranging from word and data processing to legal research and litigation support. The word processing package used on microcomputers is superior to the outmoded dedicated word processors and access by attorneys and paralegals has improved the quality of the Division's work product and the time required to complete assignments. Desktop access to legal databases such as JURIS, LEXIS and WESTLAW has enabled lawyers and others to rededicate their time to more productive activities. The use of automated databases for docketing, scheduling, record-keeping and direct litigation support has made the Division more efficient and placed its most essential information at the fingertips of its personnel.

In the last quarter of the 1986, the Division established a prototype network office automation system, AMICUS II, developed by the Civil Division and used by other divisions in the Department. Preliminary results of the Division's 64 users, combined with evaluations elsewhere in the Department, show significant productivity improvements over dedicated word processors as well as benefits over stand-alone microcomputers derived from networked communications and document transmission. In a fully configured AMICUS II environment, operating with a mixture of microcomputers and non-intelligent terminals, the Division expects a productivity gain in the range of twelve to eighteen percent.

When the program began negotiating a contract with another company for less expensive copying equipment, the current contractor lowered its prices, provided three months of free supplies and an upgrade on one copier at no cost. Additionally, the program replaced two copiers with one that would accommodate the workload of two programs within the Division. These efforts resulted in a cost savings of $56,136.

To improve the efficiency and effectiveness of the Records Management Unit and as a result of A-76 staffing reductions, the program is currently in the process of contracting these services to a private source. Three contract employees will be retained to provide records management support on a full-time basis. Assessments of contracts will be conducted on a recurring basis. Emphasis will be placed on contracting out other administrative functions in accordance with the Office of Management and Budget's Circular A-123.

Civil Rights Division

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Civil Rights Matters							
	Special Litigation		Voting		Employment Litigation		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Other services		$120		$280		$400		800
Total workyears and obligations, 1983	...	120	...	280	...	400	...	800

Civil Rights Division

Salaries and expenses, General Legal Activities

Priority Rankings

Base Program	
Program	Ranking
Civil Rights Prosecution	1
Voting	2
Housing and Civil Enforcement	3
Employment Litigation	4
Special Litigation	5
Coordination and Review	6
Management and Administration	7
Federal Appellate Activity	8
Educational Opportunities	9

Program Increase	
Program	Ranking
Voting	1
Employment Litigation	2
Special Litigation	3

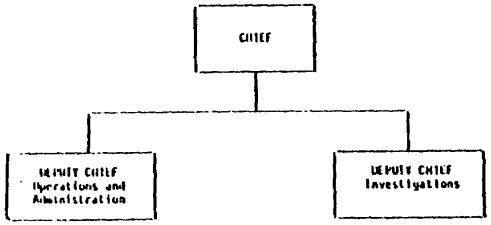
Civil Rights Division

Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized	1988	
			Management Savings	Total
Attorneys (905)	180	180	-1	179
Paralegal Specialists (950)	57	57	-1	56
Other Legal and Kindred (900-998)	11	11	...	11
Social Sciences, Economics and Kindred (100-199)	16	16	...	16
Personnel Management(200-299)	1	1	...	1
General Admin., Clerical and Office Services (300-399)	132	132	-2	130
Accounting and Budget (500-599)	4	4	...	4
Information and Arts Group (1000-1099)	1	1	...	1
Mathematics and Statistics Group (1500-1599)	1	1	...	1
Supply Group (2000-2099)	1	1	...	1
Total	404	404	-4	400
Washington	404	404	-4	400

INTERPOL - U.S. NATIONAL CENTRAL BUREAU



Edward C. Schmults
Deputy Attorney General

10/14/83
Date

INTERPOL-U.S. National Central Bureau

Salaries and expenses, General Legal Activities

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			Reprogrammings			1987 Supplementals Requested				1987 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Program Pos.	Program WY	Program Amt.	Pay & FERS	Pos.	WY	Amt.
1. INTERPOL-U. S. National Central Bureau	44	44	$3141	...	...	152	...	...	...	...	...	...	70	44	44	$3059
Total	44	44	$3141	...	...	152	...	...	...	...	...	...	70	44	44	$3059

INTERPOL-U. S. National Central Bureau

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	44	44	$2,989
1987 program supplemental	..	..	23
1987 Pay and Retirement supplemental requested	..	..	47
1987 appropriation anticipated	44	44	3,059
Transfer of FASS group	..	..	6
Uncontrollable increases:			
One additional compensable day	..	..	2
Annualization of 1987 Bond Building supplemental	..	..	5
Annualization of 1987 FERS supplemental	..	..	73
Annualization of 1987 pay supplemental	..	..	35
Within-grade increases	..	..	7
Locality-based per diem	..	..	2
GSA Rent	..	..	64
GSA recurring reimbursable services	..	..	1
Federal Telecommunications System (FTS)	..	..	10
Telephone Service	..	..	6
GPO printing costs	..	..	1
Employee data and payroll services	..	..	3
General pricing level adjustment	..	..	30
Total Uncontrollable increases	..	..	239
Decreases, nonrecurring:			
Reduction for change in hourly rate	..	..	(2)
Reduction in health benefits	..	..	(3)
Total decreases	..	..	(5)
1988 Base	44	44	3,299

Estimates by budget activity	1986 Actual			1987 Approp. Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amt.
INTERPOL-USNCB	44	44	$2,760	44	44	$3,059	44	44	$3,299	56	53	$3,839	12	9	$540

INTERPOL-U. S. National Central Bureau (USNCB)

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

	1987 Appropriation Enacted			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Activity: INTERPOL-U. S. National Central Bureau	44	44	$2,989	44	44	$3,299	56	53	$3,839	12	9	$540

Long Range Goal. To stem the growth of international crime by providing efficient communications and exchange of information among the National Central Bureaus of INTERPOL member countries and the INTERPOL General Secretariat (headquarters), as well as the law enforcement agencies within the United States.

Major Objectives

1. To represent the United States as the U. S. member of INTERPOL.

2. To provide timely responses to requests for information from domestic and international law enforcement agencies and other appropriate organizations, institutions, and individuals, in accordance with the INTERPOL Constitution and Department of Justice regulations.

3. To identify and analyze patterns and trends in international criminal activities.

4. To support INTERPOL initiatives to combat international terrorism, such as establishing guidelines to encourage and enhance police cooperation and the creation of a specialized anti-terrorism group at the General Secretariat.

5. To coordinate with other Federal law enforcement agencies programs addressing particular areas of international crime, e.g., drug trafficking, terrorism, financial crime and fraud, international fugitives and border protection operations to maximize resources and prevent program duplication.

6. To ensure the effectiveness of INTERPOL through improvements in its information technology systems capabilities and incorporation of all INTERPOL member countries into its telecommunications network.

7. To solidify as an institution the INTERPOL-USNCB and to increase awareness of its functions in combatting international crime to make it a truly effective law enforcement tool, responsive to the needs of the domestic and international law enforcement communities.

Base Program Description. The INTERPOL-USNCB is the United States' representative to the International Criminal Police Organization (INTERPOL). Created in 1923 to promote mutual assistance among the European community, the organization has grown from less than ten members to a worldwide consortium of 142 countries. A General Secretariat headquartered in St. Cloud, France, serves as INTERPOL's administrator, and each member country maintains a National Central Bureau (NCB) to act as its INTERPOL liaison within the guidelines of its own national laws and the INTERPOL Constitution.

INTERPOL is governed by a General Assembly of delegates from each member country that convenes annually to formulate policies and initiatives addressing international crime. Each participating member country has one vote regardless of size or financial contribution to the organization.

The INTERPOL-USNCB maintains telecommunications channels with more than 20,000 domestic law enforcement agencies, the NCBs of the other 141 INTERPOL member countries, and the INTERPOL General Secretariat through such means as the National Law Enforcement Telecommunications Systems (NLETS), the INTERPOL radio network centralized in INTERPOL headquarters, telex/cable facility for contacting INTERPOL member countries not connected to the centralized radio network, as well as photofacsimile equipment for international transmission of photographs, fingerprint records, and documents. These capabilities are essential for responding to emergency criminal situations, court proceedings, border protection operations, or prevention of release or flight of international fugitives.

Requests for information received by the USNCB cover a broad range of criminal offenses including crimes of murder, robbery, large-scale narcotics violations, financial fraud, off-shore banking, and counterfeit investigations, as well as the location and apprehension of international fugitives, often involving extradition. Information is also requested for criminal history backgrounds, license checks and humanitarian efforts. Foreign and domestic police organizations use INTERPOL-USNCB resources to trace weapons or locate witnesses. Such requests are representative of the range of investigations with which this organization is involved.

Investigative functions are maintained at INTERPOL-USNCB through the collaborative efforts of 13 participating Federal law enforcement agencies that assign agents to the INTERPOL-USNCB. Justice Department representatives participate from the Federal Bureau of Investigation, the Drug Enforcement Administration, Immigration and Naturalization Service, the Criminal Division, and the U. S. Marshals Service. Treasury Department representatives include the U. S. Secret Service, the U. S. Customs Service, the Internal Revenue Service, the Bureau of Alcohol, Tobacco and Firearms, and the Office of the Comptroller of the Currency. Other Federal agencies represented are the Diplomatic Security Service of the Department of State, the Department of Agriculture Office of the Inspector General, and the U.S. Postal Inspection Service. This multi-agency partcipation in the INTERPOL-USNCB program fosters interagency cooperation in addressing law enforcement matters and avoids duplication of programs and initiatives.

Strict criteria and guidelines established by the INTERPOL General Secretariat and the INTERPOL-USNCB are used to qualify requests for information or investigative assistance. Compliance with INTERPOL-USNCB and INTERPOL regulations as well as Department of Justice regulations and U.S. Federal laws is verified by a Quality Control Unit, and the

following criteria are applied: (1) the request must come from a legitimate domestic law enforcement agency or an INTERPOL member country; (2) it must be an international investigation; (3) the crime must be a violation of law in the country where committed; (4) the request cannot violate the accepted interpretation of Article 3 of the INTERPOL Constitution, which excludes matters military, religious, racial or political; (5) a specific criminal link must exist between the crime and the subject of the case; (6) the request must clearly state the type of investigation and the fullest possible identifying details of the subject. If not provided, the requestor is contacted for addition information. Written verification of all requests is required before any information is released.

As a final control to preclude unauthorized use of information, the Third Agency Rule is applied and extends to all Federal, State and local law enforcement agencies. This means that information exchanged between the INTERPOL-USNCB and another Federal, state or local law enforcement agency cannot be provided to a third party without the approval of the source of such data. These stringent controls work to ensure responsible management of this organization's investigative workload and preserve the integrity of its information.

Accomplishments and Workload

The INTERPOL-USNCB investigative caseload and message traffic for 1986 increased by more than 30 percent over the previous year. Largely due to heightened awareness at the state and local levels of the investigative channels the INTERPOL-USNCB can open, domestic use has risen steadily, and significant accomplishments were realized to the benefit of law enforcement here and abroad.

An example of the kind of assistance afforded domestic law enforcement agencies is found in a recent case originating in Illinois, where state police used the USNCB to apprehend a murder suspect in Italy. The suspect was charged in a Federal arrest warrant with kidnapping, holding his victim for $15,000 ransom, and then murdering the victim and her husband. Additional warrants were issued against the suspect for rape and kidnapping. As a result of information passed to Italian police through the USNCB, the suspect was arrested and extradited. A similar request involved identification of a man arrested in New York for possession of stolen credentials and credit cards. Through the USNCB, an International Wanted Notice was issued; INTERPOL-Ottawa located the man and an arrest was made by the Montreal police. Arrested under an alias, he was returned to also face rape charges in Boston as well as a prison term from which he had escaped in California.

Significant accomplishments have also been realized as a result of the creation of the Economic and Financial Fraud Unit at the INTERPOL-USNCB. Through this unit investigative resources are channelled into tracking and seizing assets of criminal organizations. It is recognized that most narcotics and organized crime leaders insulate themselves from traditional criminal investigative techniques, but stay close to their financial network and the money. This special unit concentrates efforts in that area, which is often the only means of identifying

those leaders. Such a case was that of a Cleveland businessman who was indicted for defrauding the government and evading $3 million in income tax. A producer and distributor of pornography, the suspect used fictitious names, sham financial transactions, and phony corporations to launder money and establish Swiss bank accounts through which more than $7 million was funnelled. As a result of a six-year grand jury investigation conducted by the Cleveland Organized Crime Strike Force assisted by Departments of Justice and Treasury, he was indicted on 16 counts and faces up to 75 years imprisonment and $10 million in fines. The INTERPOL-USNCB facilitated coordination on this case with the governments of Switzerland and Great Britain, New Scotland Yard, Swiss Federal Police, Royal Canadian Mounted Police, and the police departments of four major U. S. cities. The Economic and Financial Unit was also recently part of an INTERPOL working party that drafted model legislation for investigation and forfeiture of assets in shell banks and off-shore banking. As a result of their efforts, three Caribbean countries are using the INTERPOL product as a model for their own legislation.

A serious problem INTERPOL-USNCB has been successful in addressing through its Alien/Fugitive Enforcement Unit is that of illegal aliens and foreign fugitives. Political unrest in the Middle East and Africa and in countries such as Afghanistan and Pakistan has resulted in more and more attempts to illegally enter this country. Stowaways on vessels or commercial aircraft bound for the U. S. destroy their identity documents and passports enroute and ask for asylum on arrival. The Immigration and Naturalization Service faces great difficulty in ascertaining the nationality of subjects in these cases and cannot deport without a country of origin. On request, the USNCB distributes fingerprints of such individuals throughout the INTERPOL network, resolving such identity problems. Another major facet of INTERPOL-USNCB program support to INS will be in processing overseas credentials verifications in INS' efforts to administer the recently passed Immigration Reform Act. The INTERPOL-USNCB expects to process as many as a half million requests for information and verifications in the one year commencing in May 1987 for alien amnesty applications.

An important function of the Alien/Fugitive Enforcement Unit is the identification and investigation of international fugitives. By entering fugitive lookout records into several automated systems available at U. S. border entry points, INTERPOL-USNCB is able to identify foreign fugitives as they attempt to enter this country. Conversely, the INTERPOL international notice system may facilitate the location and arrest of fugitives from the United States. In one instance, as a result of an International Wanted Notice issued by INTERPOL-Wiesbaden, a German national who had escaped while serving a prison term for attempted arson and insurance fraud was identified and arrested at the Miami, Florida, airport in possession of a suitcase of cocaine. The subject was turned over to the U. S. Marshals Service for extradition. Similarly, two Canadian nationals, wanted on twenty-five warrants involving several millions of dollars in bad checks, fraud, and forgery, were returned to Canada following a three month search covering Canada, the Caribbean, New York, and Texas. These efforts not only deny foreign criminals safe haven in the United States, but protect our population from their crimes.

A great stride made in the USNCB's efforts to deliver the most efficient law-enforcement support possible is institution of 24-hour operations. With the enthusiastic support of the Federal law enforcement community, this office began operating three round-the-clock shifts with interim funds from the USNCB participating agencies, allowing it to meet important demands such as immediate response on NCIC and INS border hits and critical terrorist and hostage situations, and eliminate potential operational weaknesses such as the need for Justice Department night operators to handle international messages received after normal daytime hours. The success of this initiative is evident thus far, even in its relatively short lifespan, and its critical need is substantiated by the success and support it enjoys throughout the federal law enforcement agencies.

One major advancement in the international struggle to respond to the escalation of terrorism is its definition by INTERPOL outside the realm of political activity alone. Terrorism was a problem heretofore excluded from INTERPOL's attention due to the provision of Article III of the its constitution, which forbids involvement or intervention in matters ". . . of a political, military, religious, or racial character." The 53rd General Assembly reasoned that even though an act of violence may be politically motivated, if the target, person or property was not directly or indirectly connected with the objectives of the offenders, the act could not be interpreted as political and must be regarded as a criminal act. This was a first and major step in addressing what has come to be a critical world concern. Subsequent resolutions have further defined the police role in combatting international terrorism, have encouraged cooperation among NCB's in responding to this problem, and initiated preparation of guidelines and practices to facilitate the rapid exchange of information vital in such situations. Further, a special unit has been established within the General Secretariat to study this issue and to coordinate the exchange of anti-terrorist information. In addition, progress of the anti-terrorism program is a priority at Executive Committee and regional meetings, and the organization participates annually in international terrorism symposia.

INTERPOL-USNCB's investigative workload continues to increase largely due to heightened awareness among the domestic law enforcement community of the services it provides. State and local law enforcement agencies have become the greatest users of the INTERPOL-USNCB telecommunications network, and INTERPOL-USNCB investigative agents are often called upon to make appearances across the nation explaining the INTERPOL program and services available through the USNCB.

In addition to Federal agencies who participate in the INTERPOL-USNCB program providing information to their respective field offices, greater awareness of the operational assistance available through the INTERPOL-USNCB has also resulted from increased visibility in the press. As an interim means of addressing this problem until resources could be pursued through appropriations, and with temporary funding from other federal agencies, in 1986 the INTERPOL-USNCB moved to 24-hour operations. While not the complete answer to the problem of a burgeoning caseload, it nevertheless allowed the USNCB to respond more effectively to a situation that was becoming out of control by maximizing the office's static resources and infrastructure.

A new dimension has been added to the impact INTERPOL can have on international lawlessness by its adoption of resolutions addressing terrorism. This has made it incumbent upon the INTERPOL-USNCB to respond. Never has a single category of crime so threatened world safety as does the terrorist act, and all our resources must be garnered against it. By limiting those resources, efforts to analyze and thwart terrorism are severely hampered, making the lessons learned sporatic at best. In summary, every effort is being made to maximize INTERPOL-USNCB resources to meet an ever-increasing workload and expanded sphere of responsibility.

CASELOAD AND MESSAGE TRAFFIC:	1984	1985	1986	Anticipated 1987	Anticipated 1988
NEW - Analysis Unit	3,667	4,474	5,874	7,930	10,715
Investigative Unit	7,794	9,508	12,482	16,850	22,747
Total & Percentage	11,461	13,982	18,356	24,780	33,452
of Increase		22%	31%	35%	35%
PENDING - Analysis Unit	5,831	6,876	8,939	11,620	15,106
Investigative Unit	16,207	19,570	25,441	33,073	42,994
Total & Percentage	22,038	25,446	34,380	44,693	58,100
of Increase		15%	35%	30%	30%
TOTAL* - Active Cases and	33,811	42,368	55,355	72,515	94,270
Pct. of Increase		25%	31%	31%	30%
Message Traffic:					
RECEIVED	25,707	35,237	45,808	59,550	77,415
Percentage of Increase		37%	30%	30%	30%
TRANSMITTED	30,338	52,290	67,977	88,370	114,881
Percentage of Increase		72%	30%	30%	30%
TOTAL	56,045	87,527	113,785	147,920	192,296
					30%

Includes new, pending, & reopened cases

Program Change. The INTERPOL-USNCB requests an increase of 12 positions, 9 FTE's, and $400,000 to institute operations 24 hours per day.

As a processor of tens of thousands of pieces of investigative information each year between international and domestic law enforcement agencies, the USNCB recognizes its opportunity through 24-hour operations to not only address its own critical service delivery needs, but support the Administration's publicly declared war on drug trafficking and terrorism. Twenty-four hour operations will not only speed the processing of the more than one hundred thousand messages the USNCB will receive in 1987, but offer the potential for broadening the scope of criminal investigations worldwide.

At its current level, the USNCB faces an unending escalation in its backlog, as well as lengthy delays in processing messages for pending cases. A case in point recently occurred when a radio message concerning fraud and possible extradition received in January 1986 from INTERPOL-Wiesbaden, West Germany, was not assigned to an agent until April 1986 due to the existing backlog.

Without 24-hour operations, there exists processing delays on urgent/critical cases of up to three days, a situation intolerable in terrorism cases where immediate response is vital to detection, prevention, and apprehension. Similarly under a one eight-hour shift per day schedule, foreign fugitive queries, which stipulate a specific response time of as little as ten minutes, and INS entry/border point inquiries suffer the consequences of a response lag that seriously hampers opportunities to detain or apprehend drug traffickers and fugitives entering and leaving the country. Vital information in both these areas of criminal activity is delayed in backlogs that cannot be addressed without 24-hour operations at the USNCB; and, given the Administration's commitment to anti-terrorism and drug enforcement, the USNCB caseload is expected to continue to increase as it has so dramatically in the past.

Currently at the USNCB, a case classified "urgent/critical" requires nine workhours for processing, with routine to complex cases ranging from an average of eight workhours to fifteen. Even using a static workload base of 1985 case numbers of 14,000, it would require a minimum of 56 workyears to process the annual caseload if every case were routine. Based on complex cases, 102 workyears would be required to dissove the backlog. At the current staff level of 35 workyears, the mounting backlog goes virtually unchecked. The immediate impact of 24-hour operation is not only provision of critical quick responses, but a long-term solution to the problem that greater visibility and effectiveness has created: greater user demand and increased workload.

By increasing its workforce by 12 positions and 9 FTEs, the USNCB will be able to provide two additional shifts per day and full weekend coverage. Such a move will address the backlog by not only providing more workhours in which to process cases, but decreasing the average time and cost required for processing. Gains will be realized by utilizing less expensive "off peak" telecommunications time, and faster data center service can be expected since demand from other Department of Justice users will be greatly reduced during evening hours. Workflow will be charted to take advantage of these conditions, and international traffic can be classified and processed as it is received. Existing office infrastructure is more efficiently utilized through round-the-clock operations as opposed to simply bringing additional staff on a daytime shift.

Another continuing concern resolved through 24-hour operation is the burden placed on Department of Justice night operators to make judgments as to whether international messages received after hours are urgent, requiring immediate attention. This risky and unfair practice of placing untrained personnel in the delicate position of determining criticality of information is eliminated by operations spanning 24 hours.

Just as important as the speed with which messages are processed is the increased quality of service derived from this initative. In this age when terrorists' attacks occur literally across the globe, it is imperative that accurate and concise information and identification be available without regard to office hours. Often the transmission of a single piece of information means the difference between detaining a fugitive or allowing his escape. When so much of the federal justice system (intelligence, investigation, prosecution) depends on viable, accurate information, it seems a false economy to limit resources for its efficient transmission.

The benefits of this initiative cut across agency lines and extend to virtually every federal investigative entity, as well as state, local and international law enforcement entitities that utilize the INTERPOL network. It will decrease the escalating case backlog at the USNCB, more efficiently utilize current USNCB software and hardware resources, provide immediate responses on urgent and critical terrorism and drug enforcement investigations, and stimulate greater analysis of information compiled from unrelated cases in those areas. A $20,000 reduction in current overtime costs is also anticipated, which has been applied to the new resources needed for this initiative.

INTERPOL-USNCB

Salaries and expenses, General Legal Activities

(Dollars in thousands)

Item	INTERPOL-USNCB		Total	
	Pos.	Amount	Pos.	Amount
Grades				
ES-2				
GS/GM-15				
GS/GM-14				
GS/GM-13				
GS-12				
GS-11	6	$156	6	$156
GS-9				
GS-8				
GS-7	6	126	6	126
GS-6				
GS-5				
GS-4				
Ungraded				
Total positions and annual rate	12	282	12	282
Lapse (-)	(3)	(104)	(3)	(104)
Reduction of lapse				
Other than permanent				
Overtime and holiday				
Total workyears and pers. compensation	9	178	9	178
Personnel benefits		22		22
Travel and transportation of persons				
Transportation of things				
GSA rent				
Comm., utilities and miscellaneous charges				
Printing				
Other services		340		340
Supplies				
Equipment				
Total	9	540	9	540

INTERPOL - U. S. National Central Bureau

Detail of Permanent Positions by Category
Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized	1988 Program Increases	1988 Total
Criminal Investigators (1811)	1	1	...	1
General Admin., Clerical, Office Services (300-399)	40	40	12	52
Information and Arts Group (1000-1999)	3	3	...	3
Total	44	44	12	56
Washington	44	44	12	56
U. S. Field	...	...	...	...
Total	44	44	12	56

Independent Counsel

Salaries and expenses, General Legal Activities

Summary of Requirements

(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as requested	...	...	...
1987 pay and retirement supplemental requested	...	...	...
1987 program supplemental requested	...	...	$2,000
1987 appropriation anticipated	...	...	2,000
Uncontrollable increases	...	...	...
Decreases, (automatic non-policy):			
Nonrecurring costs for 1987 relocation and program supplemental	...	...	(2,000)
Total, decreases	...	...	(2,000)
1988 Base	...	...	...

Program Changes:

Estimates by Budget Activity	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
12. Independent Counsel....	...	...	$2,000	...	...	...	...	...	...	...	...	...

Legal Activities Office Automation

Salaries and Expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	...	...	$1,537
Uncontrollable increases	...	...	...
Decreases	...	...	...
1988 Base	...	...	1,537

	1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
9. Legal Activities Office Automation	...	...	...	...	...	$1,537	...	...	$1,537	...	...	$24,718	...	...	$23,181

Legal Activities Office Automation

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Pos.	WY	Amount
Legal Activities Office Automation.....	...	...	$1,537	...	...	$1,537	...	...	$24,718	...	...	$23,181

Long Range Goal. To improve the productivity of administering the legal activities programs through modernization and enhancement of office automation systems by the Department's litigating components.

Major Objectives.

To develop system designs which meet the central requirements of the litigating organizations and the needs of the Department's management officials for information and which allow reliable interfaces with Department-wide data collection and reporting systems.

To implement cost-effective ways for electronic exchange of documents and messages among Departmental organizations.

To systematize the planning and acquisition processes for office automation resources to:

- build on the installed base of office automation systems in the litigating organizations;
- build cooperative processing systems where possible; and
- ensure installation of compatible hardware and software in all future acquisitions;

Base Program Description. The Department Resources Board has established the Litigating Office Automation Steering Committee under the direction of the Deputy Attorney General. The Steering Committee, composed of the Department's senior management, is tasked with developing a comprehensive policy and a strategy for the design and acquisition of automated systems for the six legal divisions, the offices of the U.S. Attorneys and offices of senior departmental management. The mandate to achieve Department management efficiencies and productivity gains in systems and operations requires the Department to move toward a more coordinated and unified approach in the area of office automation for litigating components. The Committee has a formal Project Team and charged it with responsibility for attaining Department office automation goals for the litigating organizations as well as uniform case management goals. The Project Team consists of personnel from the litigating components and the Justice Management Division.

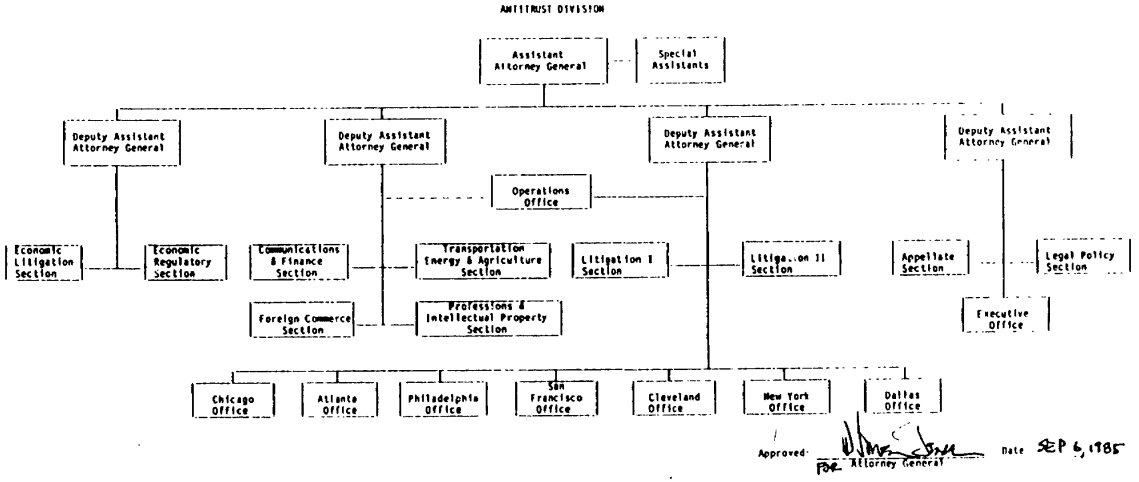
During 1986, the Department completed Phase I of this project which consisted of the development and integration of project plans for all of the litigating components and senior management offices. At the conclusion of this first phase, it was recommended that the Department proceed immediately to implement office automation systems throughout the litigating organizations and proceed with an acquisition strategy which envisions uniformity in office automation systems in the long term and operational compatibility in the short term.

During 1987, this joint planning initiative is building upon existing accomplishments to achieve the desired compatibility at potential savings to the Department. In essence, this approach involves the adoption of the AMICUS II system by the senior management offices and the Civil Rights and Lands Divisions and the issuance of a single RFP which addresses, in a single acquisition, the office automation needs of the Criminal and Tax Divisions and U.S. Attorneys.

Program Changes. An increase of $23,181,000 in budget authority is requested for 1988 for the Legal Activities Office Automation Fund. This amount will allow the Department to fund office automation enhancements for the litigating organizations and senior management offices as determined through the analyses conducted in 1987. A major portion of the requested funding will be committed to the joint procurement involving the Tax and Criminal Divisions and the U.S. Attorneys. This procurement provides for the acquisition of nearly 5,000 terminals in 1988-89 with an option for a further 7,000 terminals.

Implementation of this joint office automation acquisition program will end the proliferation of incompatible systems which now preclude the rapid and efficient transfer of information, documents, and work products among the litigating components. Also, this initiative will markedly expand the availability and use of automated legal research and litigation support. Joint planning and acquisition strategies will be developed by the Steering Committee. Major planning and funding decisions will be made by the Department Resources Board.

One of the benefits of this proposal is that it will enable the litigating organizations to integrate their individual efforts, thereby eliminating each division "re-inventing the wheel" for common functional solutions. Most important, it enhances the ability for system interaction among the divisions in 1987, and in 1988, it will provide the critical technological links to the U.S. Attorneys' offices with which each legal division must work. By consolidating procurements, the Department may realize even greater economies of scale through larger purchase orders. Also, additional savings are anticipated through the development and maintenance of common core software and, as appropriate, integrated systems maintenance contracts.


ANTITRUST DIVISION
Assistant Attorney General
Special Assistants
Deputy Assistant Attorney General
Deputy Assistant Attorney General
Deputy Assistant Attorney General
Deputy Assistant Attorney General
Operations Office
Economic Litigation Section
Economic Regulatory Section
Communications & Finance Section
Transportation Energy & Agriculture Section
Litigation I Section
Litiga..on II Section
Appellate Section
Legal Policy Section
Foreign Commerce Section
Professions & Intellectual Property Section
Executive Office
Chicago Office
Atlanta Office
Philadelphia Office
San Francisco Office
Cleveland Office
New York Office
Dallas Office
Approved:
FOR Attorney General
Date SEP 6, 1985

KJ

Antitrust Division

Salaries and expenses, General Legal Activities

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			Reprogrammings			1987 Supplementals Requested				1987 Appropriation Anticipated		
										Program			Pay & FERS			
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Amt.	Pos.	WY	Amt.
Enforcement of antitrust and kindred laws:																
Federal appellate activity	23	23	$1,317	---	---	-$132	---	---	---	---	---	$11	$27	23	23	$1,223
Termination and prevention of private cartel behavior	222	202	16,282	---	---	-1,155	---	---	---	---	---	96	239	222	202	15,462
Preservation of competitive market structure	164	161	16,418	---	---	-921	---	---	---	---	---	76	190	164	161	15,763
Policy analysis, legislation and training	92	91	5,328	---	---	-521	---	---	---	---	---	43	107	92	91	4,957
Competition advocacy program	59	59	3,001	---	---	-337	---	---	---	---	---	28	70	59	59	2,762
Management and administration	89	95	4,263	---	---	-543	---	---	---	---	---	45	112	89	95	3,877
Total	649	631	46,609	---	---	-3,609	---	---	---	---	---	299	745	649	631	44,044

Explanation of Analysis of Changes from 1987 Appropriation Request

Congressional Appropriation Actions

The conference agreed that the allowance should be built from the sequestration base of $42,586,000, that $407,000 be deducted for non-recurring expenses, and that $821,000 in uncontrollable increases be allowed.

Supplementals Requested

1. The program supplemental request provides $215,000 for the Antitrust Division's share of increased rent for the Bond building and $84,000 for FTS increases.
2. The pay and FERS request provides for $315,000 to meet the increased pay requirements pursuant to P.L. 99-500 and $430,000 for contribution to the new federal retirement system.

Antitrust Division
Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	649	631	$43,000
1987 program supplemental requested	---	---	299
1987 pay and retirement supplemental requested	---	---	745
1987 appropriation anticipated	649	631	$44,044
Transfer from Interstate Commerce Commission	16	16	843
Transfer of Financial and Administrative Systems Support Group	---	---	6
Uncontrollable increases	---	---	3,737
Decreases	---	---	-120
1988 base	665	647	48,510

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Enforcement of antitrust and kindred laws	649	631	$44,044	665	647	$48,510	565	562	$46,401	-100	-85	-$2,109

602

Antitrust Division

Salaries and expenses, General Legal Activities

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1987 as enacted	649	631	$43,000
Program supplemental requested	---	---	299
Pay and retirement supplementals requested	---	---	745
1987 appropriation anticipated	649	631	44,044
Adjustments to base:			
Transfers to and from other accounts:			
Transfer from Interstate Commerce Commission	16	16	843
Transfer of FASS group	---	---	6
Total, transfers	16	16	849
Uncontrollable increases:			
One additional compensable day	---	---	118
Annualization of Bond Building supplemental for rent	---	---	43
Annualization of 1987 pay increase	---	---	579
Within-grade increases	---	---	264
Retirement contributions - revised federal plan	---	---	1,286
Locality based per diem	---	---	47
GSA rent	---	---	940
GSA recurring reimbursable services	---	---	17
Federal Telecommunications System (FTS)	---	---	44
Telephone service	---	---	51
Employee data and payroll services	---	---	26
Audio visual and media services	---	---	3
General pricing level adjustment	---	---	319
Total, uncontrollable increases	---	---	3,737
Decreases:			
Reduction for change in hourly rate	---	---	-73
Reduction in Health Benefits	---	---	-42
Reduction in per page cost of the Federal Register and the Code of Federal Regulations	---	---	-5
Total, decreases	---	---	-120
1988 Base	665	647	48,510

Antitrust Division

Salaries and expenses, General Legal Activities

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1986 as Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity.....	23	23	$1,192	23	22	$1,192	23	23	$1,223	23	23	$1,355	16	17	$1,227	-7	-6	-$128
Termination and prevention of private cartel behavior....	222	202	14,818	222	193	14,818	222	202	15,462	222	202	16,622	215	196	16,475	-7	-6	-147
Preservation of competitive market structure.....	164	161	15,139	164	154	15,139	164	161	15,763	164	161	16,687	157	155	16,566	-7	-6	-121
Policy analysis, legislation and training.....	92	91	4,811	92	87	4,811	92	91	4,957	92	91	5,479	60	64	4,751	-32	-27	-728
Competition advocacy program....	59	59	2,599	59	56	2,699	59	59	2,762	75	75	3,944	50	54	3,373	-25	-21	-571
Management and administration...	89	95	3,877	89	90	3,872	89	95	3,877	89	95	4,423	67	76	4,009	-22	-19	-414
Total.....	649	631	42,536	649	602	42,531	649	631	44,044	665	647	48,510	565	562	46,401	-100	-85	-2,109
Other Workyears:																		
Holiday.....		---			---			---			---			---			---	
Overtime.....		8			8			8			8			8			---	
Total compensable workyears...		639			610			639			655			570			-85	

Antitrust Division

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Enforcement of antitrust and kindred laws:	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity	23	23	$1,223	23	23	$1,355	16	17	$1,227	-7	-6	-$128
Termination and prevention of private cartel behavior	222	202	15,462	222	202	16,622	215	196	16,475	-7	-6	-147
Preservation of competitive market structure	164	161	15,763	164	161	16,687	157	155	16,566	-7	-6	-121
Policy analysis, legislation and training	92	91	4,957	92	91	5,479	60	64	4,751	-32	-27	-728
Competition advocacy program	59	59	2,762	75	75	3,944	50	54	3,373	-25	-21	-571
Management and administration	89	95	3,877	89	95	4,423	67	76	4,009	-22	-19	-414
Total	649	631	44,044	665	647	48,510	565	562	46,401	-100	-85	-2,109

This budget activity includes all resources of the Antitrust Division for the mission of protecting and promoting competition.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity	23	23	$1,223	23	23	$1,355	16	17	$1,227	-7	-6	-$128

Long-Range Goal: To provide effective representation before courts of appeals and the U.S. Supreme Court for antitrust cases and in proceedings to review orders of certain regulatory agencies.

Major Objectives:

To support sound and consistent development and enforcement of antitrust laws through the expert prosecution and defense of appeals in cases brought by the United States.

To protect the interests of the United States in the development of antitrust law through participation as amicus curiae in private antitrust appeals.

To advocate competition in appeals taken from regulatory proceedings.

Base Program Description: To provide effective representation, the Division acts on antitrust cases before the Supreme Court as authorized by the Solicitor General; represents the interests of the United States in the courts of appeals in all civil and criminal cases brought by the United States under the federal antitrust laws; reviews certain decisions of the Interstate Commerce Commission, the Federal Communications Commission, the Federal Maritime Commission and the Nuclear Regulatory Commission, and prepares an appeal position for the United States; and prepares and files amicus briefs in the district courts, the courts of appeals and the Supreme Court in selected private antitrust cases. The Division's responsibility for appeals from decisions by district courts in antitrust cases and for participation as amicus curiae is defined by 28 C.F.R. §0.20 and 28 C.F.R. §0.40(a). Authority to represent the Interstate Commerce Commission, Federal Communications Commission, Federal Maritime Commission and the Nuclear Regulatory Commission in proceedings to review orders is contained in 28 U.S.C. §§2341-2350.

Accomplishments and Workload:

Item	1985	1986	Estimates 1987	Estimates 1988
Administrative Law Cases				
Pending	485	466	490	490
Filed	373	222	220	220
Terminated	392	198	220	220
Antitrust Amicus Cases				
Filed	9	11	9	9
Terminated	9	9	9	9
Antitrust Division Cases In Courts of Appeals				
Won	15	16	15	15
Lost	4	2	---	---
Dismissed	---	1	---	---
Antitrust Division Cases In Supreme Court				
Won	7	3	5	5
Lost	1	---	---	---
Dismissed	---	---	---	---

Appellate activity continued to be heavy in 1986. The Division has participated in important court of appeals and Supreme Court cases to eliminate antitrust rules that hinder rather than promote competition. A representative sample of appellate activity follows:

In the courts of appeal, the Division was very successful in persuading courts to reject legal defenses advanced by bid riggers in an attempt to avoid prosecution for their crimes. For example, in United States v. Modern Electric Co. (No. 85-5070) and United States v. A-A-A Electrical Co. (No. 85-5116), the defendants argued that they could not be prosecuted for bid rigging because the bids had been rigged outside of the period of the statute of limitations. The Fourth Circuit rejected this argument and affirmed defendants' convictions holding that a Sherman Act conspiracy continues--hence the statute of limitations does not begin to run--until all the payments on the rigged contract are received and any agreed-on payoffs are made to co-conspirators. The court also held that the federal prosecution was not barred by a settlement agreement between the defendants and the State of North Carolina, since the federal government was not a party to the settlement and the double jeopardy clause does not bar successive state and federal prosecutions.

Two courts of appeal also rejected double jeopardy defenses to indictments charging electrical contractors with bid rigging. On March 14, 1986, the Third Circuit reversed a district court decision dismissing an indictment charging a conspiracy to rig bids on electrical construction work at the Fairless Hills plant of the United States Steel Corporation in violation of section 1 of the Sherman Act, United States v. Sargent Electric Co., et al. (Nos. 85-1262, 85-1263, 85-1264, and 85-1265). The defendants in the

Sargent case previously had been convicted of bid rigging on other electrical construction contracts. The district court concluded that all of the defendants bid-rigging activity was part of a single conspiracy to rig bids; therefore, the double jeopardy clause precluded this indictment. The Third Circuit rejected the district court's conclusion and held that the evidence established the existence of multiple conspiracies. Similarly, the Sixth Circuit in In Re: Grand Jury Proceedings (No. 85-6155), rejected defendants' contention that prior prosecutions against them for bid rigging on other electrical construction projects barred an indictment charging them with conspiring to rig bids on the electrical work at the Spurlock Generating Station in Marysville, Kentucky. The court of appeals found that the conspiracy charged in this indictment was not part of the same offense charged in a prior indictment and the double jeopardy clause did not preclude this prosecution.

On February 21, 1986, the Fourth Circuit affirmed convictions for rigging bids on a portion of the Pasquotank River Supply Project in Elizabeth City, North Carolina. United States v. W.F. Brinkley & Son Construction Co., Inc., et al. (No 84-5355). The court rejected defendants' contention that there was insufficient evidence of an agreement to rig bids because one of the alleged co-conspirators allegedly had decided not to compete for the project prior to contacting the defendants and obtaining a safe number to bid.

The Division was also very active in the Supreme Court in 1986. It successfully petitioned the Court to review two adverse court of appeals decisions, (United States v. Ben M. Hogan Company, Inc., No. 85-1067; United States v. John Doe, Inc. I, No. 85-1613) and participated as amicus curiae in several important private antitrust cases. In Hogan, the court of appeals held that a jury instruction containing an unconstitutional conclusive presumption that the conspiracy affected interstate commerce compelled it to reverse a Sherman Act bid rigging conviction although the alleged error was harmless. The Division petitioned for certiorari and argued that the error found by the court of appeals should be subject to harmless error analysis. The Division asked that its petition be held pending the Supreme Court's decision in Rose v. Clark in which the Court was expected to resolve the harmless error question presented in the Hogan case. After the Supreme Court held in Rose v. Clark, 106 S.Ct. 3101 (1986), that the harmless error standard applied, the Court granted the government's petition in Hogan and remanded the case to the court of appeals for reconsideration in view of its decision in Rose v. Clark. The Doe case involved an issue left unresolved by the Supreme Court's decision in United States v. Sells Engineering, Inc., 463 U.S. 418 (1983): whether a Department of Justice attorney who participated in grand jury proceedings may make continued use of the grand jury materials in preparing and litigating a subsequent civil case without obtaining a Fed.R.Crim.P. 6(e) order, so long as he does not disclose the materials to another person. The court of appeals held that a Rule 6(e) order is required in this situation and the Division successfully petitioned the Supreme Court to review this decision. A final decision by the Supreme Court is expected in 1987.

On May 6, 1986, the Division filed an amicus brief with the Supreme Court in 324 Liquor Corp. v. Duffy, urging the Court to reverse the New York Court of Appeals decision. The case involves a complex statutory and regulatory scheme designed to promote the maintenance of minimum resale prices in liquor retailing in New York State. The appellant, a retail liquor store, was found guilty by the State Liquor Authority (SLA) of violating the New York Alcoholic Beverage Control Law by selling at a price lower then the statutorily defined minimum price. Appellant sought to annul this determination on the ground that the statutory scheme is inconsistent with the federal antitrust laws. The SLA argued that the statutes at issue do not compel concerted anticompetitive activity and are otherwise immune from Sherman Act challenge under the "state action" doctrine. The New York Court of Appeals rejected the state action claim -- wisely, since the New York scheme is virtually indistinguishable from the California liquor pricing system reviewed in California Retail Liquor Dealers Ass'n v. Midcal Aluminum, Inc., 445 U.S. 97 (1980), and found not to constitute state action for lack of active state supervison. However, the New York court upheld the challenged statutes on the grounds that they were shielded from challenged by the Twenty-first Amendment and, incredibly, that they were not inconsistent with he federal antitrust statutes. The Division brief agreed that the challenged state mechanism does not qualify for state action immunity and further argued that the New York scheme is clearly in conflict with the Sherman Act: its avowed purpose of protecting small retailers from price competiton is directly contrary to the antitrust laws' goal of protecting "competition, not competitors." Brunswick v. Pueblo Bowl-O-Mat, Inc., 429 U.S. 477, 488 (1977) (emphasis in original). The Division also argued that the protection of small liquor retailers does not rise to the level of a "core" state interest, which the Twenty-first Amendment protects from federal scrutiny.

On June 23, 1986, the Supreme Court refused to hear Kaiser Aluminum & Chemical Corp. v. Joseph A. Bonjorno (No. 84-1907). In Kaiser, the court of appeals concluded that there was sufficient evidence to support the jury's determination that Kaiser had attempted to control its competition by requiring the plaintiff to purchase all of its raw materials from Kaiser and, to the extent that Kaiser was unable to control competition, Kaiser tried to destroy it. In its amicus brief, the Division contended that the court of appeals had erred in concluding that the jury could find that Kaiser controlled the price of the raw materials, a necessary element of a price squeeze, on the basis of evidence that Kaiser was a price leader with respect to the price of those raw materials. Nevertheless, the Division argued that the Court should deny certiorari because there was other conduct independent of the price squeeze that the court of appeals had also relied on to support the verdict.

On June 6, 1986, the Supreme Court unanimously affirmed the decision of the Ninth Circuit in City of Los Angeles v. Preferred Communications, Inc., thus reinstating that company's First Amendment challenge to the City's policy of granting a single cable television franchise in each area of the city to be served. Preferred's complaint alleged a violation of its rights under the First and Fourteenth Amendments and under the Sherman Act by reason of the City's refusal to grant Preferred a cable television franchise and access to public utility poles and conduits that could be used to provide cable services. The district court dismissed the complaint for failure to state a claim upon which relief could be granted. The Ninth Circuit affirmed with respect to the Sherman Act claims, but reversed with respect to the First Amendment claims. The appeals court strongly suggested that the City's refusal to issue a franchise to more than one company when there is sufficient physical and economic capacity to accommodate more than one might violate the First Amendment. The Supreme Court, in affirming, declined to express a view on the correctness of the court of appeals' reasoning, agreeing with the position of the United States that further development of the factual record was required before the city's interests could be balanced against the First Amendment rights at issue.

On March 28, 1986, the Division and the Federal Trade Commission jointly filed an amicus brief with the Supreme Court in Cargill, Inc. v. Monfort of Colorado, Inc. In 1983, Excel Corporation, a wholly-owned subsidiary of Cargill, announced its intention to acquire the Spencer Beef Division of Land O'Lakes, Inc. The Division reviewed the acquisition, and declined to challenge it. However, Monfort filed to enjoin the transaction. Monfort's theory of antitrust injury -- a necessary element of standing to sue under the Clayton Act -- depended on a highly tenuous argument as to future predation in the industry. In the joint brief with the FTC, the Division took the position that competitors should never have standing to challenge a proposed acquisition on predatory pricing grounds because such claims are nearly impossible to distinguish from predictions that the acquisition will lead to intensified competition, a result competitors have a strong incentive to try to prevent. The Division noted that the Sherman Act provides a remedy if predatory pricing does occur. On December 9, 1986, the Supreme Court held that Monfort had failed to demonstrate a threat of antitrust injury.

On March 26, 1986, the Supreme Court established that plaintiffs alleging economically "implausible claims -- like predatory pricing -- must meet an especially high standard when they respond to a defendant's summary judgment motion. (Matsushita Electric Industrial Co. v. Zenith Radio Corp., No. 83-2004.) The Court held that in cases where the defendant's claim does not make economic sense, they "must come forward with more persuasive evidence to support their claim than would otherwise be necessary." Slip Op. at 11-12. Thus, the Court agreed with the position of the Government that the evidence relied upon by the court of appeals was insufficient to justify a finding that the antitrust laws had been violated.

Program Changes: The Antitrust Division is requesting a decrease of 7 positions, 6 FTE workyears, and $128,000 for federal appellate activity. Increasing use of automation for case tracking and use of the JURIS system make this reduction possible without a loss of effectiveness. The appellate activity is a necessary component of the Division's antitrust enforcement efforts at the district court level. It is essential to the enforcement of antitrust laws that the appeal alternative be available. At this funding level, the Division will be able to continue its representation of regulatory agencies and to defend decisions in the lower courts in favor of the federal government against appeals by opposing parties. Private antitrust cases in the Supreme Court and in the courts of appeal that present issues of interest to the government will be closely monitored to ensure the sound development of antitrust law.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Termination and prevention of private cartel behavior.....	222	202	$15,462	222	202	$16,622	215	196	$16,475	-7	-6	-$147

Long-Range Goal: To promote and maintain competition in the American economy by reducing private cartel behavior which restrains trade or commerce.

Major Objectives:

To promote and maintain competition, economic efficiency, and the enhancement of consumer welfare by using criminal and civil enforcement of Section 1 of the Sherman Act to terminate and prevent agreements that restrain competition.

To limit cartel behavior in industries subject to state or federal regulation to appropriately approved conduct where such approval has been authorized by statute; to prevent the continuation of cartel behavior once statutes authorizing the approval of such behavior have been repealed.

To educate the public, business, and legal professions with respect to the principles of antitrust laws and enforcement policies.

To maximize competition among those bidding under the government procurement program by coordination with and advice to other executive agencies on their property acquisition policies.

To operate a system for monitoring compliance with the affirmative obligations imposed on defendants by antitrust judgments.

To identify decrees or decree provisions that have become unnecessary or anticompetitive over time and seek modification or termination by court action.

Base Program Description: The purpose of this program is to deter private cartel-like behavior by investigating and litigating violations of Section 1 of the Sherman Act. A wide range of investigatory techniques are used, including staff and FBI investigations, civil investigative demands, and grand jury investigations to detect collusion and bid rigging. In addition, the Division monitors private activity and market performance through its litigating sections and field offices and employs professional economists to collect and analyze regional and national market data, with special emphasis on highly concentrated industries. Once the government detects and successfully prosecutes, it must obtain appropriate relief and monitor the injunctive provisions of such relief to ensure that firms are abiding by those provisions. The Division's responsibility for this program is set forth in 28 C.F.R. §0.40(a).

The Division's vigorous prosecution of private horizontal restraints is essential. Cartel-type behavior has no redeeming economic virtues. Agreements among competitors entered into for the purpose of artificially restricting output and raising prices do not yield organizational efficiencies or economies of scale. Such agreements increase transaction costs and are dealt with severely. State and local law enforcement efforts, while contributing to the prevention of locally-oriented cartel behavior, cannot cope with the complex interstate nature of the conspiracies investigated and prosecuted by the Division. Intense nationwide enforcement of the federal antitrust laws serves to prevent the serious drain on the nation's economy that cartel behavior causes.

Accomplishments and Workload:

Item	1985	1986	Estimates 1987	Estimates 1988
Business Reviews				
Requested	28	26	26	26
Granted	28	12	---	---
Declined	---	1	---	---
Withdrawn	---	2	---	---
Preliminary Inquiries				
Pending at start of year	268	263	241	241
Opened during the year	185	221	240	240
Closed during the year	190	243	240	240
Civil Investigative Demands				
Pending at start of year	35	28	28	28
Opened during the year	9	34	34	34
Closed during the year	16	34	34	34
Grand Juries				
Pending at start of year	119	125	128	128
Opened during the year	58	51	50	50
Closed during the year	52	48	50	50
Price Fixing Cases - Criminal				
Pending at start of year	63	38	36	36
Opened during the year	43	47	50	50
Closed during the year	68	49	50	50
Judgment Enforcement				
Divestitures	2	2	2	2
Compliance Reports	143	115	115	115
Judgment Modifications/Terminations	9	11	11	11

NOTE: Since the exact nature of the violation is often unclear during the early stages of an investigation, Preliminary Inquiries and Civil Investigative Demands are consolidated for Termination and Prevention of Private Cartel Behavior and Preservation of Competitive Market Structure.

In the recent past, increasing emphasis has been directed toward the criminal prosecution of price fixing, bid rigging, market division, and other covert, unambiguously anticompetitive economic crimes that amount to a fraud on the public. Division effectiveness in this area has increased despite an overall 30 percent decrease in Division personnel. An intense effort to prosecute bid-rigging violations in the highway construction and electrical contracting industries resulted in the discovery of industry-wide corruption and an unprecedented number of cases which peaked in 1984 and are now beginning to subside. The Division's efforts will serve as a powerful deterrent to future price fixing in these industries; violators know that they will be prosecuted to the limits of the law. The fines paid by defendants in criminal cases, over $10,000,000 in 1986, were minor in comparison with the hundreds of millions of dollars saved for taxpayers and consumers in deterrence of the underlying economic crimes and recovered by injured parties in follow-on private suits.

Currently, the Division is engaged in an intensive probe of bid-rigging and price-fixing activities in connection with federal procurement. Senior Division attorneys met with the U.S. Department of Defense officials including procurement officers, audit commands, and the Inspector General's Office to improve joint detection of collusive military contracting. The Division expanded its educational program to help procurement personnel throughout the federal government detect bid rigging and marshall evidence of collusion. During the year, about 25 informal sessions were conducted to instruct employees of the Defense Department, FBI, Army Corps of Engineers and other federal agencies on methods of detecting and preventing collusion in public procurement.

On March 21, 1986, the Division released the 1985 annual supplement and revised indexes to the "Digest of Business Reviews." The original Digest, published in 1983, contained summaries of letters issued by the Antitrust Division from 1968 to 1982 under the Business Review procedure. Supplements are issued each year to update the Digest. Under the Business Review procedure, a firm may submit a proposed business activity to the Division and receive a statement as to whether the action would be challenged as a violation of the federal antitrust laws. The updated indexes permit research of all the letters according to topic, commodity or service involved and name of the requesting party.

Under this program, the Division is increasing its activity in more consumer-oriented markets. A representative selection of matters includes the following:

On October 28, 1986, a federal grand jury in Norfolk, Virginia, returned a four-count felony indictment charging Armand Gravely, vice president and division manager of the Richmond Division of Allegheny Pepsi-Cola Bottling Company, with conspiring to fix the prices of soft drinks sold in the Norfolk and Richmond areas of Virginia and with obstruction of justice. The indictment charged that, beginning in or about February 1983 and continuing into at least the last quarter of 1984, Gravely and co-conspirators violated Section 1 of the Sherman Act by agreeing to fix prices of soft drinks sold by Allegheny Pepsi-Cola Bottling Company and a co-conspirator soft drink bottling company in the Norfolk and Richmond areas. Three additional counts charged the defendant with endeavoring to obstruct justice by causing the destruction or concealment of memoranda and tape recordings and by attempting to persuade an individual to testify falsely before a federal grand jury. The maximum penalty for an individual convicted under the Sherman Act is three years imprisonment and a $100,000 fine. The maximum penalty upon conviction for each count of obstruction of justice is five years in prison and a $5,000 fine.

On October 15, 1986, the Division filed a one-count felony information in the U.S. District Court in Washington, D.C., charging General Cinema Beverages of Washington, D.C., Inc. with conspiring to fix the prices of certain Pepsi-Cola and Coca-Cola cola soft drink products. The charges were the result of a continuing grand jury investigation into allegations of price fixing among soft drink bottlers in Washington and other areas. The information, which charged a violation of section 1 of the Sherman Act, alleged that beginning about October 1984 and continuing until August 31, 1985, the defendant engaged in a combination and conspiracy with others to fix certain cola soft drink prices by agreeing to adhere to prices published in promotional letters that described prices and discounts offered for certain time periods to customers. The defendant also conspired to raise the wholesale price for certain 12-ounce cans that became effective in July 1985, according to the information. General Cinema has been cooperating with the investigation and as part of a plea agreement has agreed to pay a fine of $1 million.

On October 2, 1986, a federal grand jury in Cleveland returned a one-count felony indictment charging two companies and three individuals with conspiring to allocate customers in the market for motion picture booking in Ohio and West Virginia. Co-Operative Theatres of Ohio, Inc. and Tri-State Theatre Service, Inc. are independent film booking and buying agencies which represent motion picture exhibitors in obtaining licenses from film distributors for the exhibition of motion pictures. The indictment, which was filed in U.S. District Court in Cleveland, charged that the defendants and co-conspirators allocated customers between the two film booking and buying agencies, in violation of section 1 of the Sherman Act, from November 1981 to the present.

On July 10, 1986, a federal grand jury in Tyler, Texas, returned two one-count felony indictments charging seven individuals with fixing prices for the retail sale of alcoholic beverages in Nacogdoches, Texas. The indictments charged that the defendants conspired to fix prices on alcoholic beverages from as early as December 1983 and continuing until December 2, 1985.

On July 11, 1986, the Division filed a one-count felony information in the U.S. District Court in Tyler, Texas, charging Ronnie Lynn Temple with fixing prices for the retail sale of alcoholic beverages in Nacogdoches. The information charged that the defendant conspired with other alcoholic beverage retailers to fix prices on alcoholic beverages as early as November 1, 1985, and continuing until December 2, 1985.

On April 21, 1986, a federal grand jury in Oklahoma City, Oklahoma, returned a three-count felony indictment charging Evans & Associates Construction Co., Inc. and its president, Lloyd I. Evans, also known as Jerry Evans, with bid rigging, mail fraud and racketeering. The charges involve supplying highway construction materials, equipment and services to city, county, and state governments in Oklahoma. One of the counts charged that, beginning at least as early as September 1979 and continuing until at least April 1981, the defendants conspired, in violation of section 1 of the Sherman Act, to rig bids on a federally funded highway construction project let by the Oklahoma Department of Transportation. A second count charged mail fraud in furtherance of the scheme to defraud the state. The third count charged that from January 1968, through September 1981, the defendants engaged in a pattern of racketeering involving bribery and fraud, in violation of the Racketeer Influenced and Corrupt Organizations (RICO) statute. That count charged that the defendants and others acting with them constituted a criminal enterprise, which engaged in the bribery of various state and county officials involved in the purchase of highway construction services, materials and equipment. The indictment seeks forfeiture of all stock and ownership interests of defendant Jerry Evans in Evans & Associates Enterprises, Inc., and in related companies that were allegedly part of the criminal enterprise. The indictment also seeks the proceeds from the alleged racketeering activity, including the proceeds from certain highway construction projects, sales of asphalt, and the sale or rental of highway equipment. There was no value cited for the stock and other holdings, but the proceeds from the highway projects and equipment totalled more than $850,000.

On April 16, 1986, a federal grand jury in Honolulu returned a one-count felony indictment charging a Honolulu-based trade association with conspiring to fix prices for the sale of fresh fruits and vegetables in Hawaii, in violation of section 1 of the Sherman Act. The indictment charged that, beginning at least as early as 1969 and continuing until at least 1982, the Wholesale Produce Dealers Association of Hawaii and co-conspirators conspired to fix prices charged by wholesalers on certain items of produce, and to establish suggested or guideline markups for determining the wholesale price of produce. The association consists of 30 wholesale dealers who sell both mainland and Hawaii-grown produce. In 1984, their total sales of fresh fruits and vegetables exceeded $75 million. The defendant trade association pled guilty to fixing prices charged by wholesalers on certain items of produce and establishing suggested or guideline markups for determining the wholesale price of produce. On April 17, 1986, the Wholesale Produce Dealers Association of Hawaii was fined $125,000.

On March 13, 1986, a federal grand jury in Boston returned a felony indictment charging two U.S. corporations associated with European firms and five individuals with conspiring to fix prices of metallized polypropylene dielectrics. Named as defendants in the indictment were Steinerfilm, Inc. of Williamstown, Massachusetts; Bolmet, Inc., of Dayville, Connecticut; Holger Steiner, manager of Steiner KG, of Erndtebruck, Federal Republic of Germany; Ernst Steiner, of Williamstown, president and part owner of Steinerfilm, Inc., and part owner of Steiner KG; Horst Bechtolf, an executive with Steiner KG; Vincent Bollore, a director of Bolmet, Inc., and chief executive of Bollore S.A., of Paris, the parent company of Bolmet, Inc.; and Francois Dubot, an executive with Bollore S.A. The indictment charged that, beginning at least as early as the spring of 1983 and continuing until at least the fall of 1984, the defendants and co-conspirators engaged in a conspiracy, in violation of section 1 of the Sherman Act, to raise and fix the prices of dielectrics sold in the United States. Total sales of dielectrics by the defendant corporations in the United

States exceeded $15 million during the alleged conspiracy and represented about 85 percent of all dielectric sales in the United States. Metallized polypropylene dielectrics are insulating materials used in the manufacture of capacitors for alternating current applications such as flourescent lighting and air conditioning. They consist of an insulating material, polypropylene film, coated with metal, often aluminum. Capacitors are devices that can block or store energy and correct or change power factors. The defendants pled guilty or nolo contendere and were fined a total of $1,450,000.

Program Changes: A decrease of 7 positions, 6 FTE workyears, and $147,000 is requested for the Termination and Prevention of Private Cartel Behavior program. The use of computer assisted methods of organizing and managing case materials and early allocation of scarce resources to maximize benefits make this decrease possible without jeopardizing the goals and objectives of this program. The Division's efforts have been very successful and are vital to the enforcement of the Sherman Act. Investigatory efforts have uncovered numerous cases of flagrant violations of section 1 of the Sherman Act. Prosecution of violators has resulted in large fines and jail sentences. Recovery of damages, injunctions against the continuation or renewal of illegal conduct, and the awareness of the general public and businesses that violation of the Sherman Act will not be tolerated can continue at this funding level.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Preservation of competitive market structure	164	161	$15,763	164	161	$16,687	157	155	$16,566	-7	-6	-$121

Long-Range Goal: To enhance the ability of markets to function efficiently by preventing mergers and acquisitions that may lessen competition and by preventing and dissipating monopoly power acquired or maintained by purposeful conduct inconsistent with competition on the merits.

Major Objectives:

To implement a coherent merger enforcement program which prevents mergers that threaten to reduce competition in specific markets while minimizing governmental interference with transactions having no significant potential for harm.

To enforce effectively the premerger notification requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and propose changes where requirements are too burdensome and could be relaxed with no loss to the efficacy of the Division's merger screening program.

To utilize fully the expanded statutory authority provided the Division in the Antitrust Procedural Improvements Act of 1980.

To develop and implement managerial and procedural reforms that will allow complex cases to be brought to conclusion more expeditiously.

To operate a system for monitoring compliance with the affirmative obligations imposed on defendants by antitrust judgments.

To identify decrees or decree provisions that have become unnecessary or anticompetitive over time and seek modification or termination by court action.

Base Program Description: The purpose of the Preservation of Competitive Market Structure program is to prevent or dissipate unlawfully acquired or maintained market power, and to enjoin mergers that may lessen competition. Economists are in general agreement that the potential economic benefits of preventing monopolization of, and undue concentration in, particular markets are substantial. The Division promotes and maintains the competitive structure of the national economy through investigation and litigation of instances in which market power is sought, attained, or maintained through noncompetitive conduct and by seeking injunctive relief against mergers and acquisitions that may tend to eliminate competition. The principal statutes enforced under this program are section 2 of the Sherman Act and section 7 of the Clayton Act. The Division's responsibility for this enforcement program is found in 28 C.F.R. §0.40(a).

To realize maximum benefits from the Division's civil enforcement efforts, antitrust litigation resolved in favor of the government must be given full effect through appropriate injunctive relief, and firms subject to antitrust judgments must be monitored to assure that injunctive provisions are met. The Division has also established a program to review existing decrees and to seek the elimination of those that have become anticompetitive or that otherwise no longer serve the public interest.

Accomplishments and Workload:

Item	1985	1986	Estimates 1987	Estimates 1988
Premerger Notifications	1,604	1,949	3,000	1,900
Preliminary Inquiries				
Pending at start of year	268	263	241	241
Opened during the year	185	221	240	240
Closed during the year	190	243	240	240
Civil Investigative Demands				
Pending at start of year	35	28	28	28
Opened during the year	9	34	34	34
Closed during the year	16	34	34	34
Merger Cases				
Pending at start of year	9	6	8	10
Opened during the year	7	6	8	8
Closed during the year	10	4	6	6
Judgment Enforcement				
Divestitures	2	2	2	2
Compliance Reports	144	111	111	111
Judgment Modifications/Terminations	8	10	10	10

NOTE: Since the exact nature of the violation is often unclear during the early stages of an investigation, Preliminary Inquiries and Civil Investigative Demands are consolidated for Termination and Prevention of Private Cartel Behavior and Preservation of Competitive Market Structure.

Between October 1, 1985, and September 30, 1986, the Division reviewed 1,949 reports of mergers and acquisitions filed under the Hart-Scott-Rodino Act. It has investigated 85 of those matters to determine whether they might lead to any lessening of competition in the affected markets.

A representative selection of matters to preserve competitive market structure includes the following:

On December 31, 1986, the Division announced that it intended to file suit to block the acquisition of Bradford-White Corporation by Rheem Manufacturing Co. Rheem is the third largest manufacturer of residential water heaters with a 20 percent market share and Bradford-White is the fifth largest with an 8 percent market share. Total sales of residential water heaters in the United States in 1985 were $915 million. The Division had previously indicted and convicted most of the companies in the water heater industry for price fixing.

On December 10, 1986, the Division filed suit challenging the acquisition of Metrocolor Laboratories by MacAndrews and Forbes Group, Inc. MacAndrews and Forbes, which is owned by investor Ronald O. Perelman, is the owner of Technicolor, Inc., one of Metrocolor's chief competitors in the production of 35 millimeter and 70 millimeter release prints for major motion pictures. The acquisition would have combined two of the three primary film laboratories capable of providing these release print services. Total 1985 sales of 35mm release prints were over $100 million and total 1985 sales of 70mm release prints were over $10 million. As a result of the Division's suit, the parties abandoned the transaction.

On November 10, 1986, the Division announced it had filed an antitrust suit challenging the acquisition by Rohm and Haas Company of the ion exchange resins business and assets of Duolite International, Inc., alleging that the acquisition may lessen competition in the production of ion exchange resins for sale in the United States. In 1983, total sales of such resins in the United States were approximately $112 million. Rohm and Haas accounted for approximately 35 percent of those sales, and Duolite accounted for approximately 16 percent. Rohm and Haas has agreed to divest the Duolite ion exchange resin plant which is located in Redwood City, California, and a non-exclusive technology license for the manufacture and sale of Duolite ion exchange resins.

On August 22, 1986, the Division filed suit against Data Card Corporation of Minneapolis, Minnesota, challenging its acquisition of DBS, Incorporated, of Randolph, Massachusetts. A consent decree settling the suit was filed simultaneously. The suit alleged that the proposed acquisition would lessen competition in the market for automatically fed, low-volume embossers. In 1985, total sales of such embossers in the United States amounted to approximately $10 million. DBS accounted for approximately 59 percent of the market, Data Card, approximately 12 percent. The consent decree settling the suit embodies an agreement under which Data Card will sell the AFI 1500/1600 embosser product line, which constitutes part of the DBS assets that it will acquire.

On June 6, 1986, the Division filed a complaint alleging that the combination of the vidicon tube businesses of General Electric Company and RCA Corporation would eliminate competition between the only two domestic firms that produce silicon target vidicon tubes for U.S. military applications and between two of only five domestic producers of antimony trisulfide target vidicon tubes for U.S. military applications. The two firms together accounted for approximately 99 percent of all silicon target vidicon tube sales for military applications in 1985 and about 90 percent of all antimony trisulfide target vidicon tube sales for such applications. Annual sales of vidicon tubes for military applications are approximately $7 million--$2 million for silicon target vidicon tubes and $5 million for antimony trisulfide target vidicon tubes. A consent decree settling the suit was filed simultaneously. Under the consent decree, General Electric must sell its vidicon tube business.

On June 6, 1986, the Division filed a civil antitrust suit against Syufy Enterprises, a motion picture theater circuit headquartered in San Francisco, and its general partner Raymond J. Syufy. The suit alleges that, since at least 1982, Syufy has attempted to monopolize, and since at least October 1984, has monopolized the business of first-run motion picture exhibition in Las Vegas, Nevada, in violation of section 2 of the Sherman Act. The suit also alleges that Syufy's acquisition in October 1984 of the Red

Rock Theatre in Las Vegas violated section 7 of the Clayton Act. The suit seeks as relief, among other things, the divestiture by Syufy of sufficient theaters to restore effective competition in the Las Vegas first-run exhibition market.

Program Changes: The Division is requesting a decrease of 7 positions, 6 FTE workyears, and $121,000 in the Preservation of Competitive Market Structure program. Use of innovative computer assisted methods to accelerate document handling and the earlier evaluation of actions which could result in competitive problems permit this decrease. The Division will continue to refine its analysis to limit the intrusion into the market and to encourage transactions with competitive problems to be abandoned or restructured without resort to judicial or administrative proceedings wherever possible.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Policy analysis, legislation and training	92	91	$4,957	92	91	$5,479	60	64	$4,751	-32	-27	-$728

Long-Range Goal: To enhance the quality of litigation and investigative activities through economic and statistical analysis, to ensure that the objective of increased competition in the marketplace is vigorously promoted in new legislation, and to improve training for Division attorneys and economists.

Major Objectives:

To develop sound economic bases for investigations and litigation to ensure that the enforcement program is beneficial to the economy.

To encourage the submission and passage of legislation promoting a competitive economy and discourage legislation granting unjustified exemptions from the antitrust laws or hampering their enforcement.

To promote substantive and long-range planning in the allocation of resources among competing programs and the development of new or modified program initiatives.

To enhance the litigation skills of Division attorneys through continuing education and career development. The Division's goal is to have 50 percent of the attorneys participate in some form of training or continuing legal education each year to stay abreast of defense counsel in highly complex legal and economic matters.

Base Program Description: Enforcement of the antitrust laws is unique in that precisely what conduct and particularly which mergers and acquisitions are prohibited by those laws can often be determined only after careful economic analysis. Errors in antitrust enforcement can have profound consequences for the affected industries and for the public at large. Thus, professional economists are a key adjunct to the Division's legal staff. Equally important is careful economic attention to relief issues, as evidenced by the intricacies of the recent restructuring of the Bell system. Finally, hundreds of legislative proposals must be considered by the Department each year; many of these issues have serious economic and competitive implications. The Division is the Department's sole resource for dealing with such issues and significantly contributes to Administration policy. General authority for these programs is found in 28 C.F.R. §0.40.

Accomplishments and Workload:

Item	1985	1986	Estimates 1987	Estimates 1988
Congressional Appearances	14	18	18	18
White House Correspondence Referrals	169	151	150	150
Congressional Correspondence	245	656	300	300
Congressional and OMB Requests for Comments	235	374	300	300
Economic Policy Office Special Studies	71	71	45	30

Economists provide early evaluation of the economic significance of business activities proposed for investigation and preliminary analysis of proposed mergers and acquisitions, thus determining at an early stage the desirability of using limited resources to conduct such investigations. Economists identify and focus the economic issues involved in an investigation or case, assist in the development of the theory of the case, identify and present data necessary to support the Division's position, and assist in development of trial strategy relating to the economic issues. Specifically, economists evaluate the competitive effects of business activities proposed for investigation; analyze proposed mergers and acquisitions by determining product and geographic markets, identifying potential entrants, and isolating competitive effects; define relevant markets for studying the structure, conduct, and performance of industries and analyze the economic significance of such structure, conduct, and performance; estimate damages sustained by the federal government in its procurement of goods and services because of price fixing and other illegal activities; participate in the preparation of relief necessary to restore competition; and analyze the economic effect of proposed consent decree modifications.

Division economists also use large data bases, requiring sophisticated management systems, to monitor cases, and research and analyze policy issues. Data bases provide market share and financial information on individual companies and industries. Special software packages are used to perform complex statistical studies of the data. Queries are written against these data bases to generate routine management reports and to analyze policy issues. Economists use data bases which provide large amounts of market share and financial information on individual companies and industries. Computers are used to access these data bases and special software packages are used to perform complex statistical studies of the data. A computer program prepares microfiche reports directly from these tapes. Computers are also used for modeling studies based on simple theoretical models while others realistically simulate entire industries. When graphs or charts are needed for a formal presentation, they are drawn by a computer. A project to integrate systems has resulted in instruction manuals for the economists which will facilitate the use of the systems and make them available "on line" for ready access.

Economists play a significant role in assisting and improving the Division's criminal antitrust enforcement. Economists work with attorneys conducting grand jury investigations to determine the identity of conspirators, the scope of conspiracies, and how conspiracies functioned. Defendants in bid rigging and price fixing cases frequently use economic testimony in their defenses, and economists work to anticipate these defenses and rebut them at trial. Economists have been working to improve and extend the Division's role in prosecuting bid rigging in government procurement in two ways. First, they have been developing methods for analyzing procurement data to detect rigged bids. Second, they have been studying the economic literature on auctions to evaluate and, if possible, improve the procedures used by the government. In addition, economists are working with the Bureau of the Census to compile a new data bank measuring changes in market shares in various industries. Economists in the Division also have worked closely with the U.S. Sentencing Commission to develop the economic analysis of criminal deterrence and formulate guidelines for the sentencing of federal criminal offenders--particularly antitrust offenders.

Beginning in 1985, economists used a list prepared at the beginning of each Congressional session of the main issues likely to arise during the year. Such a list allows staff to develop analyses of major issues on the current legislative agenda. As specific queries and requests come in, they will be answered with a well-developed analysis already on hand. This program assists in linking the legislative agenda to the competition advocacy process which generates substantial policy analysis of legislative issues. A number of legislative issues which normally arise in non-antitrust policy areas now benefit from more extensive economic analysis. Economists play a useful role in describing the welfare effects of, for example, changes in civil procedure, changes in techniques for the detection of various criminal activities, and changes in rules for the compensation of plaintiffs, all of which have implications for antitrust policy. Even rule changes that are strictly procedural often have significant economic implications.

Responsibility for the Division's legislative program entails drafting and supporting legislative proposals to amend the antitrust laws or other statutes affecting competition; analyzing proposed legislation, draft reports, and testimony prepared by other agencies; and submitting comments on such materials to other divisions, the Office of Management and Budget, and Congress. It also includes preparing testimony to be given on behalf of the Department and the Administration, and coordinating responses to correspondence or other inquiries received from Congress or forwarded from the White House for reply.

Among the most important ongoing legislative efforts of the Division is support of the Administration's antitrust reform proposals. Changes have been proposed in merger law, treble damage remedy, law on interlocking directorates, and exercise of jurisdiction in foreign commerce cases. The results will be timely and crucial modifications of antitrust law that will help U.S. firms remain competitive in world-wide markets. The Division also is pursuing procompetitive changes in intellectual property protection and other legislation to improve American competitiveness. The Administration's proposed "Intellectual Property Rights Improvement Act" will greatly benefit American industries and American consumers by encouraging creativity and innovation. Enactment of this bill will help to ensure that creators of intellectual property--patents, copyrights, trademarks--receive adequate protection and opportunity to realize the benefits of their investments. The Administration's bill will close gaps in that protection under current law and ensure that intellectual property rights, which stimulate innovation that benefits consumers, are not unduly restricted.

Other examples of Division involvement in the legislative process include its support of the proposed Federal Telecommunications Policy Act of 1986, that would require the Federal Communications Commission to promulgate and enforce new federal regulations identical in substance to the AT&T and GTE antitrust consent decrees. This legislation will have the effect--after appropriate judicial proceedings--of consolidating federal telecommunications regulation, including the regulation now embodied in those decrees, under the authority of the FCC.

On June 12, 1986, the Division testified before the Subcommittee on Telecommunications, Consumer Protection, and Finance of the House Energy and Commerce Committee, concerning "Signal Scrambling in the Cable Television Industry." Comments were directed to the importance of competition among alternative distribution technologies in the provision of video programming services, and also briefly described the investigation that the Department currently is conducting in this area. The Division stated that scrambling of video programming can serve to facilitate, rather than to frustrate, the operation of competitive market forces. By scrambling their video signals and then selling the right to "descramble" the signals to potential retransmitters, such as cable operators, and directly to potential viewers, such as earth station owners, satellite programmers can earn an economic reward for their investment. Because scrambling may prevent "free riding," it is generally procompetitive and should not be condemned, at least when undertaken unilaterally by a satellite programmer.

On May 1, 1986, the Division testified before the Subcommittee on Monopolies and Commercial Law of the House Judiciary Committee concerning the Department's role in reviewing proposed airline mergers. The Division's role in evaluating mergers in the airline industry was described in general terms. The Division examines airline mergers as it would mergers in any other industry to determine whether they are likely to have anticompetitive effects prohibited by law. For each merger, the Division considers whether substantial competition between the merging parties will be eliminated and whether that elimination will increase the

likelihood of anticompetitive conduct, using the approach outlined in the Merger Guidelines. In airline mergers, the Division has generally defined the relevant markets to be city-pair routes on which the merging carriers are competitors.

Division attorneys and economists enhanced litigation skills by participating in the Attorney General's Advocacy Institute, the National Institute for Trial Advocacy, and other training courses to assist in continuing education and career development.

Program Changes: A program decrease of 32 positions, 27 FTE workyears, and $728,000 is requested for the Policy Analysis, Legislation and Training program. This decrease can be absorbed because the Division stresses the importance of applying economic analysis to all investigations and cases to ensure that the enforcement program is beneficial to the economy. Ongoing economic analyses of market structures and the economy provide an opportunity for the Division to encourage the submission and passage of legislation promoting a competitive economy. In addition, the use of a computerized data and tracking management system for congressional and White House correspondence and a system for managing reports on proposed legislation will make resource savings possible. These systems eliminate the need for several manual entries of the same data, permit certain types of information (such as workload statistics) to be collected more rapidly and accurately, and facilitate responding to Freedom of Information Act requests.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Competition advocacy program.....	59	59	$2,762	75	75	$3,944	50	54	$3,373	-25	-21	-$571

Long-Range Goal: To eliminate unnecessary or counterproductive governmental interference with free market forces and seek adoption of the least anticompetitive means of achieving overriding social purposes.

Major Objectives:

To achieve greater competition in federally regulated industries.

To protect and promote competition in industries which have recently been deregulated.

To minimize the prohibitions against and restrictions of competition under State regulation.

To stimulate competition in the delivery of professional services.

To reduce or eliminate antitrust immunities enjoyed by particular industries.

To encourage competition as new technologies are developed.

To prevent or minimize protectionist restrictions on free and fair international competition.

Base Program Description: As an advocate of competition, the Antitrust Division seeks the elimination of unnecessary regulation and adoption of the least anticompetitive means of achieving a sound national economy through participation in proceedings before regulatory agencies and in executive branch deliberations relating to competition policy. Authority for these various activities is found in 28 C.F.R. §0.40; the Federal Coal Leasing Amendments Act of 1976; the Deepwater Port Act of 1974, 33 U.S.C. §1506(a); the Atomic Energy Act of 1954, 42 U.S.C. §2135; the Federal Aviation Act, 49 U.S.C. §§1378-84; the 1966 Bank Merger Act, 12 U.S.C. §1828; the Bank Holding Company Act, 12 U.S.C. §1842; the National Housing Act, 12 U.S.C. §1730a; the Outer Continental Shelf Lands Act, 43 U.S.C. §1331, et seq. Resources transferred from the Interstate Commerce Commission will be used in these activities.

Accomplishments and Workload:

Item	1985	1986	Estimates 1987	Estimates 1988
PARTICIPATION IN BANK MERGER PROCEEDINGS				
Total Screenings 1/	1,762	1,776	1,900	1,700
Savings and Loan Letters	11	14	14	14
Bank Holding Letters	3	5	5	5
Merger Letters	748	757	780	740
PARTICIPATION IN REGULATORY AGENCY PROCEEDINGS				
Department of Transportation (DOT)	---	33	---	---
Federal Communications Commission (FCC)	9	11	---	---
Federal Deposit Insurance Corporation (FDIC)	---	2	---	---
Federal Energy Regulatory Commission (FERC)	2	9	---	---
Federal Home Loan Bank Board (FHLBB)	1	4	---	---
Federal Maritime Commission (FMC)	3	7	---	---
Federal Reserve Board (FRB)	3	3	---	---
Interstate Commerce Commission (ICC)	8	13	---	---
Postal Rate Commission (PRC)	1	1	---	---
Securities and Exchange Commission (SEC)	2	2	---	---
Other 2/	5	9	---	---
Total	34	94	94 3/	40 3/

1/ Total screenings include review of bank holding company activities in addition to savings and loan letters, bank holding letters, and merger letters.
2/ Other includes case filings with the Commodity Futures Trading Commission, the Bureau of Alcohol, Tobacco and Firearms, the Postal Service Governors, the Nuclear Regulatory Commission, and the Environmental Protection Agency.
3/ The Division cannot estimate by particular agency where intervention will prove fruitful in 1987 and 1988.

A representative selection of significant matters in which the Division has been recently involved to enhance competition follows:

On October 23, 1986, the Division stated its views on three topics relating to the regulation of takeovers and contests for corporate control before the Securities and Exchange Commission (SEC). Comments filed with the SEC urged (1) that the provisions of the William Act should not be extended to apply whenever a person acquires a substantial percentage of a target company's shares during or shortly after a tender offer; (2) that there is no need at this time for federal governmental regulation of the adoption by corporations of poison pills; and (3) that the Commission should adopt a self-goverance exemption for its "all-holders" and other tender offer rules, unless the Commission finds clear evidence that permitting companies to exempt themselves from these rules will have a significant adverse effect on other participants in the markets for securities and corporate control. These comments were filed in response to a recent Commission Concept Release soliciting the views of interested parties on possible changes in the regulation of takeovers and contests for corporate control.

In comments filed with the Federal Home Loan Bank Board on September 29, 1986, the Division strongly opposed proposed regulations that would place more stringent restrictions on acquisitions of certain federally insured thrifts. The proposal's impact would be virtually to prohibit takeovers of thrifts during a three-year period following their conversion from a mutual institution to a stock institution, and the proposal also would have the potential for providing a government-created sanctuary from takeovers for

certain thrifts formed by the merger of an insolvent mutual institution into a stock institution. The proposals likely would raise the cost of capital to the affected thrifts while providing management with job security at the expense of the shareholders, and the Bank Board failed to demonstrate that the expected public benefits exceed the expected costs of the proposed change. The Bank Board proposal, made in August, would among other things require prospective purchasers to show a beneficial effect of an acquisition.

On June 29, 1986, the Division filed comments with the Environmental Protection Agency (EPA) regarding the latter's proposal to phase out and, ultimately, to prohibit, over a ten-year period, the importation and domestic mining of asbestos. EPA is proposing to issue transferable permits that would allow current miners and importers of asbestos to mine or import a decreasing fraction of base-period (1982-1984) volumes. Lawfully mined or imported asbestos could be used for any nonbanned use, regardless of how much pollution it caused. At the end of the ten-year period, mining and importing of asbestos would be banned entirely, except for certain exempt uses that EPA finds are essential and for which substitutes are not available. The Division's comments identified several major problems which would be alleviated by adoption of a series of auctions for use-specific permits. By making the permits use-specific, EPA can ensure that those particularly hazardous uses are more tightly restricted. Auctions would eliminate windfall gains because competitive bidding would result in a price being paid to the U.S. Treasury equal to additional profits the supplier expects to gain.

On June 12, 1986, the Division filed comments with the Department of Transportation (DOT) in response to two proposed revisions in DOT's procedures for reviewing airline mergers. The first would allow DOT to grant expedited preliminary approval for airline mergers that previously have been reviewed and approved by the Department of Justice. The second would allow an airline to acquire 25 percent or more of the voting securities of another airline, without prior governmental review, on condition that the stock is placed in a voting trust. The Division supported the adoption of an expedited review process for airline mergers, but opposed the use of voting trust arrangements. The support for the expedited approval proposal is based on the expectation that it would streamline regulatory review of airline mergers, particularly those that do not raise serious competitive concerns, and would bring merger procedures in the airline industry closer to those used in nonregulated industries. This should result in a significant improvement over current practice. On the other hand, the Division opposed the proposed rule on voting trusts because it would allow air carriers to make stock purchases without prior governmental review in circumstances in which those purchases could have anticompetitive consequences. However, the filing indicated a willingness to support a more restrictive version of the voting trust rule that would limit purchases without prior approval to 15 percent of the target company's voting securities, since such a modification would bring the proposed rule more in line with the standards applied to acquisitions in nonregulated industries.

On June 9, 1986, the Division filed comments with the Department of Agriculture urging the rejection of a proposed federal egg marketing order. The comments focused solely on one aspect of the proposed order: a surplus removal provision that would authorize an Egg Board to restrict the egg supply by removing laying hens from production. The program would be funded by mandatory assessments levied on egg handlers. The Division argued that the proposal to allow an Egg Board artificially to restrict the egg supply is an unwarranted and unwise attempt to substitute regulation for market mechanisms. The egg industry is a well-functioning market with many producers, relatively easy entry, and high-quality, readily available information. The record shows that there is no reason to believe that this industry has experienced the kind of market failure that would justify regulation. Furthermore, the proposal would be ineffective and costly at best, and would more likely be counterproductive and destabilizing. Such regulation would permit producers to restrict egg production and raise prices above competitive levels, harming consumers and society without promoting the long-term interests of producers. Thus, the Division argued that the record in this proceeding demonstrates that surplus removal is inconsistent with sound economic policy and the policies of the Agriculture Marketing Agreement Act. Moreover, once surplus removal is put in place, the stage would be set for additional regulation. Approval of a surplus removal program thus might well be the first step on the road to absolute production controls--a federally sanctioned egg cartel.

On May 29, 1986, the Division issued a report recommending immediate deregulation of all oil pipelines except 11 that carry refined petroleum products, such as gasoline, in the 48 contiguous states and the Trans Alaska Pipeline System. The report further concluded that six of the 11 pipelines may prove to be good candidates for deregulation after further study; however, the other five should remain under federal regulation because they clearly can exercise significant market power. However, most oil pipelines,

including all crude oil pipelines in the contiguous 48 states, can safely be deregulated at once. The pipelines recommended for immediate deregulation represent more than 100 pipeline companies and 71 percent of 1983 pipeline output--measured in barrel-miles--in the contiguous 48 states. The report recommended that all new crude oil and refined petroleum product pipelines be federally deregulated but did not indicate whether existing state regulation should be modified or eliminated. The report did not make any recommendation regarding any liquefied petroleum gas, natural gas liquids and anhydrous ammonia pipelines. The Division is prepared to analyze these pipelines, if necessary, at a later time. The report is an outgrowth of the Department's May 1984 preliminary report on competition in the oil pipeline industry, which presented the methodology and data for analyzing the need for pipeline regulation.

On May 23, 1986, the Division filed comments with the Federal Reserve Board, taking the position that adjusting minimum capital reserves for banks based on the risk involved in the bank's investments would improve bank regulation. Similar comments were filed on May 21, 1986, with the Federal Deposit Insurance Corporation (FDIC). Both agencies are considering a change for the banks they regulate that would introduce a "supplemental adjusted capital measure" to be used in tandem with current minimum capital requirements. The Board's current requirements are based on a comparison of a bank's capital to its balance sheet assets. The proposed standards would compare capital to a risk-weighted total of all assets and off-balance sheet commitments. The new ratio would be used for banks with assets of $1 billion or more, and used on a case-by-case basis for smaller banks. In the comments to the Board and the FDIC, the Division acknowledged that risk-adjusted capital requirements can diminish the artificial competitive advantages created by the current system of flat-rate federal deposit insurance premiums. The Division pointed out in both filings, however, that a better alternative should be considered: the adoption of risk-adjusted federal deposit insurance premiums that would be a more efficient and less restrictive solution to the problems addressed by risk-adjusted capital requirements. By prohibiting banks from making certain capital structure and investment decisions, risk-adjusted capital requirements can prevent banks from taking advantage of valuable opportunities. In contrast, risk-adjusted deposit insurance premiums offer a more market-oriented approach, tending to eliminate the inefficiencies of the current system without prohibiting business activities that contribute to consumer welfare.

On April 25, 1986, the Division filed supplemental comments with the Federal Communications Commission (FCC) opposing FCC adoption of rules that would, with certain limitations, require cable operators to carry "qualified" local television broadcast stations. The proposed rules were the result of an agreement among representatives of the cable and broadcasting industries. The Commission's previous must-carry rules--which required cable systems to carry most local signals as defined by Commission rules--were vacated as unconstitutional in July 1985 by the U.S. Court of Appeals for the District of Columbia Circuit in Quincy Cable Television v. F.C.C. The newly proposed rules define a "qualified" local station as one within a 50-mile radius of the cable facility and one which has a certain circulation in noncable homes. This standard is identical to the "significantly viewed" standard included in the vacated must-carry rules. The Division commented that the existence of the compulsory copyright license for cable systems, which permits cable operators to carry local and distant broadcast signals, does not justify reimposing must-carry rules. Both must-carry rules and the compulsory license are unjustified forms of governmental intervention that serve the public poorly, and the public interest would be better served if the Commission refused to reimpose must-carry rules and worked with Congress to repeal the compulsory copyright license for cable systems.

On April 30, 1986, the Division filed a memorandum with the Federal Maritime Commission (FMC) in a proceeding instituted by the FMC to determine whether three shipping conference agreements violate the section of the Shipping Act of 1984 that provides for the right of independent action. Under the Shipping Act, each member of a conference has the absolute right to take independent action on any rate or service provision in a tariff. A tariff is a statement by the conference of how much it will charge to carry cargo between two points. The FMC's proceeding involves a show cause order concerning two disputed provisions contained in all three of the conferences' agreements. One provision prohibits conference members from taking independent action on any tariff rate associated with the conference's negotiation or provision of a service contract. The other provision states that if at any time prior to its effective date a conference member's independent action is withdrawn or modified by the member that originally proposed it, the independent action will automatically be withdrawn for any other member that elected to adopt it. The Division stated that

both disputed provisions violate the right of independent action. The Division emphasized that in passing the Act, the Congress intended that "a strong requirement of independent action" serve as the central procompetitive balance against the collective conference rate-setting permitted under the Act.

On March 31, 1986, the Division filed reply comments with the Federal Energy Regulatory Commission (FERC) dealing with price regulation of "old" natural gas. The initial comments filed with FERC in late February urged FERC to adopt a market-based system of regulation. The adoption of such a regulatory scheme is within FERC's statutory authority and is the best way to eliminate current and future distortions in the natural gas market. Such a rule would achieve the goal of the Department of Energy's original proposal to establish market-based prices for old gas, but would do so more simply and effectively, and at a lower regulatory cost. Over 125 additional parties filed comments, addressing a multitude of procedural, factual, legal, and policy issues. While there is a consensus among the parties that prices for natural gas should be established by competitive market forces, the comments reveal that there is considerable controversy over the best way to achieve that goal. The Division argued that the controversy only serves to illustrate the superiority of the proposal to let the market set old gas prices. The proposal requires FERC to make only one factual finding (that the natural gas market is competitive at the well-head) and reach only one legal conclusion (that FERC has the authority under the Natural Gas Act to rely on market forces to set just and reasonable rates). Nothing in any of the comments raises serious doubt that FERC has the authority to make both of those findings, and the Division urged it to do so.

Also, consistent with the principles of federalism, the states will be encouraged to deregulate sectors that historically have been subject to their police powers. Health care is one promising target of such efforts. Another is local telecommunications services, an area that the Chairman of the FCC has identified as the next frontier of telecommunications deregulation. Because of the nature of deregulated transportation industries, new projects can be anticipated. The Division will continue to help stem the tide of support for reregulation in the transportation sectors. The Division will continue to argue that agencies should rely on private, marketplace competition to the maximum extent possible and should interfere in the market only when the benefits of that intervention outweigh its cost.

Program Changes: A decrease of 25 positions, 21 FTE workyears, and $571,000 is requested for the Competition Advocacy program. An essential part of Division activities is continued evaluation of federal regulatory rules in order to advise other departments and agencies on the competitive issues involved, and to develop proposals for restructuring legislative mandates or procedures to eliminate unnecessary or counterproductive governmental interference with free market forces. This evaluation has been accelerated in response to a growing public awareness of inadequacies in a system of direct economic regulation. As a result, unnecessary regulation will be eliminated and competition will be encouraged. The funding level of this program is vital to the economy of the nation and the continued promotion of competition in many types of industries.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and administration.....	89	95	$3,877	89	95	$4,423	67	76	$4,009	-22	-19	-$414

Long-Range Goal: To provide effective and efficient management and policy direction of all Antitrust Division activities.

Major Objectives:

To provide policy direction and leadership for antitrust enforcement personnel.

To develop and maintain a working climate for Division personnel that fosters interest in, enthusiasm for, and dedication to the Division's programs.

To serve as articulate and persuasive spokespersons for competition policy within the Administration, before regulatory agencies and the Congress, and before the general public.

To allocate resources and control current and future workload and output of the Division to produce results beneficial to the public.

To improve the Division's capability to meet the requirements of the Freedom of Information and Privacy Acts.

To provide effective and efficient administrative support for all Antitrust Division activities.

To support the Division's professional staff with modern tools for information processing.

Base Program Description: Policy guidance is essential to the successful functioning of the Antitrust Division. Top management provides controls and direction for the full range of Division activities. In addition to specific case direction, the Assistant Attorney General, Deputy Assistant Attorneys General, Office of Operations, and section and field office chiefs make significant contributions to overall administration and management. The responsibility for enforcing antitrust statutes requires reaction to complaints and to identifiable economic conditions, and a more sophisticated initiative designed to develop enforcement programs for long range problems such as preservation of competitive market structure. The Division also has the responsibility for serving as the federal government's primary spokesman and analyst on competition policy and its impact on legislative and governmental actions. The staff determines the allocation of a finite amount of resources among competing programs to meet the varied responsibilities of the Division as effectively as possible. Support encompasses a wide number of tasks to be performed to provide the resources and tools needed by the attorneys and economists to do their jobs. As the complexity of the Antitrust Division has increased, so has the need for administrative services.

Accomplishments: The Antitrust Division reorganization in October 1985 increased the efficiency and effectiveness of the central law enforcement mission and realigned the commodity and industry responsibilities of the Washington sections to ensure optimal deployment of both civil and criminal litigation resources. The nine Washington sections responsible for litigation have been consolidated into five litigating sections and one section responsible for foreign commerce matters other than litigation. Consolidation was necessary to maintain an appropriate ratio of attorneys to supervisory personnel, and to give the section chiefs adequate management flexibility and control. The requested resource level is necessary to continue the advantages of the flexibility and the increased familiarity with the new commodity assignments. The organization structure reflects the fact that the Division is a law enforcement agency that will continue to give priority to the detection, investigation, and criminal prosecution of price fixing and related agreements that are per se antitrust violations, and to thorough analysis of mergers. There will be an adequate number of attorneys within each litigating section to allow for flexible and effective staffing of litigation matters. The Division's important role as an advocate of competition has been enhanced as the efficacy of the Competition Advocacy Program has increased.

Despite staffing reductions, a series of management initiatives and the utilization of sophisticated computer support have enabled the Division to increase its overall efficiency. In the area of litigation support, the Division has expanded both the number and the scope of investigations and cases receiving automated support through minicomputer-based systems and computer-generated graphics. During the past year, the Division has continued its extensive use of statistical analysis methods in support of important program initiatives to detect and prosecute anticompetitive, conspiratorial behavior such as price fixing and bid rigging. In several instances, computer products such as graphic representations of complex pricing patterns have been introduced into evidence and have played a key part in the outcome of the case. The Division continues to expand the use of these products and enhance existing data analysis procedures to ensure accurate and timely information for its attorneys. The Division has also been successful in obtaining and processing machine-readable materials from businesses and from federal and state bidding authorities to provide cost effective analyis of bidding, pricing and market shares. In order to provide a continued high level of support to the Division's sections and field offices, the Division has moved aggressively in the use of its on-site minicomputer network for litigation support by implementing a software package called the Antitrust Information Retrieval System (AIRS). AIRS was designed,

developed and implemented "in-house" to operate on existing Division equipment and to provide automated capabilities to the matters which now comprise the bulk of the Division's workload. Additionally, the Division has made use of portable professional computers for remote trial support to increase the quality of offsite support. In summary, the Division has continued to expand the availability of litigation support services to its attorneys through improvements in minicomputer-based systems as well as judicious use of mainframe software systems.

Program Changes: A program decrease of 22 positions, 19 FTE workyears, and $414,000 for the Management and Administration program can be absorbed. All Division managers are sensitive to the need for economy in all operations and will continue to evaluate operations and new developments to make maximum use of resources. The Division will continue to engage in a systematic review of all administrative procedures and controls so that efficiency and cost effectiveness are accorded sufficient weight in all Division procedural requirements. However, for changes to continue to be made in a manner that preserves the quality and responsiveness of support provided to the Division's operating staff and, at the same time, provides adequate safeguards against waste, fraud, and abuse of government resources, the requested resource level is essential.

Antitrust Division

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Federal Appellate Activity		Termination and Preventation of Private Cartel Behavior		Preservation of Competitive Market Structure	
	Positions	Amount	Positions	Amount	Positions	Amount
Grades						
GS-13	---	---	---	---	---	---
GS-12	-1	-$33	-1	-$33	---	---
GS-11	-1	-27	-2	-54	-1	-$27
GS-9	---	---	---	---	---	---
GS-8	---	---	---	---	-1	-20
GS-7	-1	-18	-3	-54	-1	-18
GS-6	-1	-17	---	---	-2	-33
GS-5	-1	-15	-1	-15	-2	-30
GS-4	-1	-13	---	---	---	---
GS-3	-1	-12	---	---	---	---
Total positions and annual rate	-7	-135	-7	-156	-7	-128
Lapse	1	20	1	24	1	19
Total workyears and personnel compensation	-6	-115	-6	-132	-6	-109
Personnel benefits		-13		-15		-12
Total workyears and obligations, 1988	-6	-128	-6	-147	-6	-121

Antitrust Division

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Policy Analysis, Legislation and Training		Competition Advocacy Program		Management and Administration		Total	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
Grades								
GS-13	-1	-$39	-4	-$155	-1	-$39	-6	-$233
GS-12	-9	-292	-4	-130	-1	-33	-16	-521
GS-11	-6	-163	-2	-54	-4	-109	-16	-434
GS-9	---	---	-1	-22	-1	-22	-2	-44
GS-8	-1	-20	-1	-20	-1	-20	-4	-80
GS-7	-10	-184	-8	-148	-2	-37	-25	-459
GS-6	-2	-33	-2	-33	-5	-83	-12	-199
GS-5	-1	-15	-2	-30	-4	-59	-11	-164
GS-4	-1	-13	-1	-13	-1	-13	-4	-52
GS-3	-1	-12	---	---	-2	-24	-4	-48
Total positions and annual rate	-32	-771	-25	-605	-22	-439	-100	-2,234
Lapse	5	116	4	91	3	66	15	336
Total workyears and personnel compensation	-27	-655	-21	-514	-19	-373	-85	-1,898
Personnel benefits		-73		-57		-41		-211
Total workyears and obligations, 1988	-27	-728	-21	-571	-19	-414	-85	-2,109

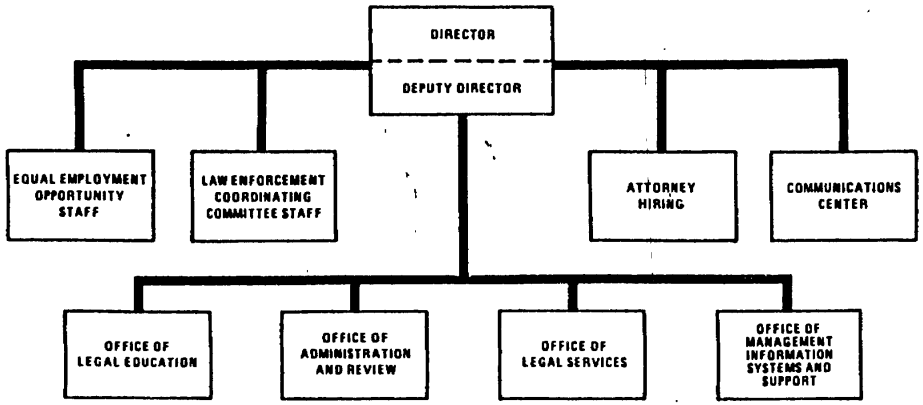
Antitrust Division

Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized	1988 Transfer in the Estimates	1988 Program Decreases	1988 Total
Attorneys (905)	281	281	10	-23	268
Paralegal Specialists (950)	64	64	---	-8	56
Other Legal and Kindred (900-998)	16	16	---	---	16
Social Sciences, Economics and Kindred (100-199)	47	47	6	-15	38
General Administration, Clerical and Office Services (300-399)	224	224	---	-54	170
Accounting and Budget (500-599)	10	10	---	---	10
Business and Industry Group (1100-1199)	6	6	---	---	6
Mathematics and Statistics Group (1500-1599)	1	1	---	---	1
Total	649	649	16	-100	565
Washington	474	474	16	-100	390
U.S. Field	175	175	---	---	175
Total	649	649	16	-100	565

EXECUTIVE OFFICE FOR UNITED STATES ATTORNEYS



Approved by: William French Smith Date: 8/17/84
Attorney General

United States Attorneys

Salaries and expenses, General Legal Activities

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			1987 Supplementals Requested Program			Pay & FERS	1987 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Amt.	Pos.	WY	Amt.
1. Criminal Litigation	3,242	3,167	$197,367	...	...	-$4,842	...	...	$497	$3,417	3,242	3,167	$196,439
2. Civil Litigation	2,024	1,989	113,623	...	...	-2,786	...	...	293	2,152	2,024	1,989	113,282
3. Legal Education	25	24	2,744	...	...	-62	...	...	8	31	25	24	2,721
4. Organized Crime Drug Enforcement	519	502	29,960	...	...	-731	...	...	71	557	519	502	29,857
5. Management and Administration	148	176	16,124	...	...	-397	...	...	18	171	148	176	15,916
Total	5,958	5,858	359,818	...	...	-8,818	...	...	887	6,328	5,958	5,858	358,215

Explanation of Analysis of Changes from 1987 Appropriation Request

Congressional Appropriation Actions

The President's Budget request for 1987 included $13,837,000 which would have restored funding that had been deleted from the account as a result of the Gramm-Rudman-Hollings Balanced Budget and Emergency Deficit Control Act of 1985. As a result of Congressional actions, only $5,019,000 of this the requested amount was restored.

Supplementals Requested

1. A supplemental request for $2,818,000 will provide for increased salaries and benefits resulting from the January 1987 pay increase for General Schedule employees.

2. A supplemental request for $3,510,000 is necessary to cover increased costs resulting from the new Federal Employees Retirement System.

3. A supplemental request for $887,000 will cover the increased cost of the Federal Telecommunications System.

United States Attorneys
Salaries and expenses, General Legal Activities
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-Years	Amount
1987 as enacted	5,958	5,858	$351,000
1987 Pay and retirement supplemental requested	...	...	6,428
1987 Program supplemental requested	...	...	887
1987 appropriation anticipated	5,958	5,858	358,215
Savings resulting from management initiatives	131	56	-4,178
Transfer of the Financial and Administrative Systems Support Group	...	...	67
Uncontrollable increases	...	31	32,065
Decreases	...	...	-738
1988 base	6,089	5,945	385,431

	1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
United States Attorneys	5,821	5,256	$312,510	5,958	5,858	$358,215	6,089	5,945	$385,431	6,631	6,352	$413,555	542	407	$28,124

United States Attorneys
Salaries and expenses, General Legal Activities
Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Total FTE	Amount
Transfer of the Financial and Administrative Systems Support Group.....	...	...	$67
Savings resulting from Management Initiatives:			
Replace 100 Assistant U.S. Attorneys with 250 paralegals.....	150	92	-2,554
Management of commercial litigative expenses.....	...	...	-600
Reduction of Executive Office resources.....	-19	-36	-1,024
	131	56	-4,176
Uncontrollable increases:			
1. One additional compensable day.....	...	...	704
2. Annualization of additional 1987 positions.....	...	31	1,396
3. Annualization of Federal Employees' Retirement System Costs.....	...	...	10,495
4. Annualization of the 1987 pay increase.....	...	...	5,262
5. Within-grade increase.....	...	...	431
6. Retirementocontributions - Social Security (FICA).....	...	...	49
7. Medicare Costs.....	...	...	10
8. Locality based per diem.....	...	...	46
9. Federal Employees Compensation Act (FECA) Workers Compensation...	...	...	-93
10. GSA Rent.....	...	...	6,314
11. GSA recurring reimbursable services.....	...	...	52
12. Federal Telecommunications Systems(FTS).....	...	...	473
13. Telephone Service.....	...	...	59
14. GPO printing costs.....	...	...	58
15. Employee data and payroll costs.....	...	...	208
16. Audio Visual and media services.....	...	...	13
17. General pricing level adjustments.....	...	...	938
18. Administrative salary increase.....	...	...	5,650
Total Uncontrollable Increases.....	...	...	32,065
Decreases:			
1. Reduction for change in hourly rate.....	...	...	-471
2. Nonrecurring costs - Background Investigations.....	...	...	-38
3. Nonrecurring costs - Equipment.....	...	...	-18
4. Reduction in health benefits.....	...	...	-211
Total decreases.....	...	...	-738
Total, adjustments to base.....	131	87	27,216

United States Attorneys

Salaries and Expenses, General Legal Activities

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1986 as Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
United States Attorneys																		
Criminal litigation	3,136	2,918	$165,158	3,136	2,860	$168,256	3,242	3,167	$196,439	3,317	3,239	$212,583	3,735	3,552	$233,728	418	313	$21,145
Civil litigation	2,005	1,906	101,359	2,005	1,794	101,396	2,024	1,989	113,282	2,094	2,040	121,987	2,179	2,100	125,957	80	60	3,970
Legal education	25	24	2,593	25	22	2,321	25	24	2,721	21	19	2,831	20	19	3,285	...	...	452
Organized crime drug enforcement	519	464	23,875	519	411	25,892	519	502	29,857	519	502	32,376	563	546	34,933	44	34	2,557
Management & admin.	138	171	14,980	138	169	14,645	148	176	15,916	114	145	15,652	114	145	15,652	...	...	...
Total	5,823	5,483	307,965	5,823	5,256	312,510 1/	5,958	5,858	358,215	6,089	5,945	385,431	6,631	6,352	413,555	542	407	28,124
Reimbursable workyears		...			...			...			...			...			...	
Total workyears		5,483			5,256			5,858			5,945			6,352			407	
Other workyears																		
Holiday		1			1			1			1			1			...	
Overtime		23			23			23			23			23			...	
Total compensable workyears		5,507			5,280			5,882			5,969			6,375			407	

1/An amount of $5,465,000 in 1986 obligations was funded through a carry-forward of a prior year unobligated balance of $5,736,000 as provided in the appropriation language.

United States Attorneys

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: United States Attorneys	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal litigation	3,242	3,167	$196,439	3,317	3,239	$212,583	3,735	3,552	$233,728	418	313	$21,145
Civil litigation	2,024	1,989	113,282	2,099	2,040	121,987	2,179	2,100	125,957	80	60	3,970
Legal education	25	24	2,721	20	19	2,833	20	19	3,285	...	...	452
Organized crime drug enforcement	519	502	29,857	519	502	32,376	563	536	34,933	44	34	2,557
Management and administration	148	176	15,916	134	145	15,652	134	145	15,652	...	...	...
Total	5,958	5,858	358,215	6,089	5,945	385,431	6,631	6,352	413,555	542	407	28,124

This budget activity includes resources for the prosecutorial and litigative mission of the United States Attorneys. Funds requested for this activity support the personnel responsible for the prosecution of criminal offenses against the United States, the representation of the Government in civil actions when the United States is concerned, and the initiation of proceedings for the collection of fines, penalties and forfeitures owed the United States.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal litigation	3,242	3,167	$196,439	3,317	3,239	$212,583	3,735	3,552	$233,728	418	313	$21,145

Long Range Goal: To promote compliance with the criminal laws of the United States by individuals within its jurisdiction.

Major Objectives:

To identify, investigate, prosecute and convict those persons and legal entities who have committed offenses against the laws of the United States.

To increase federal law enforcement response in the areas of white collar crime and narcotics and dangerous drugs.

To maintain a secure workplace that provides proper safeguards for employee safety and for the protection of sensitive or classified materials.

Base Program Description: The federal law provides criminal penalties for a wide range of proscribed behavior. Many of these laws are designed to protect the integrity of government operations -- e.g., laws regarding counterfeiting, tax evasion, perjury and fraud against the U.S. Government, while others protect important social institutions and citizen safety -- e.g., laws regarding financial practices, interstate commerce and kidnapping. Obtaining convictions against the violators of federal criminal law is intended not only to punish individual offenders, but to deter prospective criminal behavior and to reinforce general respect for the efficacy of law.

Most alleged violators of federal criminal laws are reported to the U.S. Attorneys by one of the several federal investigative agencies. A few violators are reported to U.S. Attorneys by citizens, and others come to the attention of U.S. Attorneys in the course of prosecuting related criminal conduct. After considering such factors as the sufficiency of available evidence, the condition of the prospective defendant, the applicability of Department of Justice priorities, and the availability of alternatives to federal prosecution, a decision is reached on the appropriateness of federal prosecution. The U.S. Attorneys then become responsible for engaging in the established legal procedures for the purpose of obtaining a guilty judgment against alleged violators of federal crime laws, with the ultimate purpose of invoking against such violators the penalties provided by law.

Except for misdemeanor offenses and in instances in which the defendant waives his right to a grand jury indictment, the evidence against an alleged offender is presented to a grand jury, and the jurors make the final decision for prosecution by voting on an indictment proposed by the U.S. Attorney. Following the delivery of an indictment, the U.S. Attorney is responsible for presenting the charges at the arraignment of the defendant and for participating in preliminary hearings concerning such issues as defendant's bail status, the propriety of the indictment, the forfeiture of the defendant's property, the competency of the defendant, and the admissibility of evidence. In addition to the formal proceedings at which U.S. Attorneys represent the U.S. Government, they are constantly negotiating with defense counsel, witnesses, court officials, and investigators to keep the case progressing within the statutorily defined limits for speedy trial. Although barely ten percent of all criminal prosecutions are concluded by a trial, the U.S. Attorneys always must be prepared to go to trial to avoid the risk of dismissal for noncompliance with Speedy Trial Act time limits and to negotiate effectively with defense counsel for a guilty plea by the defendant. Whenever the defendant is unwilling to admit guilt and a trial becomes necessary, the U.S. Attorneys then are responsible for presenting the factual evidence which will convince the jury of the defendant's guilt and for advocating legal arguments.

Accomplishments and Workload: The criminal litigation workload of the U.S. Attorneys is presented below. Data on matters include workload performed by the Organized Crime Drug Enforcement Task Forces (OCDE) which is not reported elsewhere.

ITEM	1985	1986	Estimates 1987	1988
Matters received	90,740	96,968	101,800	106,900
Matters closed	83,890	91,949	93,790	106,600
Matters pending, EOY	54,795	57,043	65,053	65,353

			Estimates	
Cases filed	29,689	34,208	34,900	39,680
Cases terminated	26,633	30,607	31,200	35,480
Cases pending, EOY	27,467	30,848	34,548	38,748
Grand Jury proceedings	17,094	20,111	20,860	23,170
Trials	3,028	3,485	3,560	4,040

The Criminal Litigation program objectives are accomplished through the work of 94 U.S. Attorneys' offices, each of which has responsibility for the investigation and prosecution of a wide range of proscribed criminal behavior. Actual and estimated accomplishments are reflected in the above workload data. Criminal filings for all U.S. Attorneys' offices in 1986 included 1,196 criminal appeals filed. The greatest volume of filings were for controlled substances (6,156), fraud against Government (2,258), weapons control (1,942), immigration (1,728), mail & wire fraud (1,379) and tax evasion (1,219) offenses. Of the total 30,607 cases closed, 29,096 defendants made pleas of guilty; 4,655 defendants were found guilty after trial; and 934 defendants were found not guilty. Grand jury proceedings included 20,045 indictments and 66 No True Bills, for a total of 20,111 actions.

A total of 57,741 complaints were closed without reaching the district courts. Of this number, 27,154 referrals involving 33,865 defendants were closed by immediate declination of prosecutions. Another 15,246 matters were declined after further investigations, and 9,693 were disposed of by Federal magistrates.

Program Changes: Increases of 418 positions, 313 full-time equivalent (FTE) workyears and $21,145,000 are requested for 1988 in the Criminal Litigation program. These resources are necessary to accomplish the following program initiatives:

Drug Enforcement - To remove the profit motive for those engaged in illicit narcotics trafficking and to aggressively prosecute the criminals involved, the U.S. Attorneys are requesting an increase of 371 positions, 279 FTE workyears and $18,562,000.

The recent legislation (Omnibus Drug Supplemental Act of 1987) recognized the seriousness of the drug problem and established numerous initiatives to combat drug abuse and narcotics trafficking. Significant resources, including investigative personnel, were included in this legislation which cross a variety of issues and organizations that will be involved in the struggle for a drug-free America. Not the least of this effort is that involving prosecutorial activities necessary to ensure the convictions of guilty parties and the ultimate incarceration of them. It is anticipated that significant increases in referrals from investigative agencies will occur in 1988 and require litigative resources to handle the increased workload.

The Administration's emphasis on and commitment to drug law enforcement has met with considerable success to date. Unavoidably, however, such initial success, when coupled with the FBI's increasing emphasis on major drug networks, brings with it a series of expensive and labor-intensive by-products: (1) The need for ever greater attorney involvement at the earlier investigative stage, e.g., coordinating undercover operations, supervising Title III applications and preparing search warrants; (2) Greater preparation for grand jury presentation including document review, compulsion orders, witness debriefings and relocation and cross-district travel to coordinate multi-district investigations; (3) Extensive pre-trial litigation caused by voluminous defense motions, lengthy pre-trial detention hearings at the magistrate, district court and even appellate levels, litigation of issues involving multiple representation, suppression and severance motions; and (4) Lengthy and complicated trials involving multiple defendants followed by extensive post-trial motions and appellate litigation.

White Collar Crime - In concert with the objectives of both the President's Council on Integrity and Efficiency (PCIE) as well as the Economic Crime Council, the U.S. Attorneys are requesting an increase of 28 positions, 22 FTE workyears and $1,961,000 to prosecute white collar crime (WCC) violators. Specifically, the requested resources would be applied in the areas of defense procurement fraud, money laundering, government program fraud (e.g., medicaid/medicare), "boiler-room" operations, bankruptcy fraud, and bank fraud and embezzlement.

Between 1982 and 1985, the PCIE's figures reflect a 100 percent increase in the number of WCC prosecutions with a correspondingly increase of 500 percent in the dollar size of the cases involved. According to projections provided by a number of investigative agencies, this trend is likely to continue well beyond 1988. For example, the FBI anticipates an increase of 1,000 related investigative matters between 1987 and 1988 alone. The number of bank frauds, which has already doubled since 1981, will accelerate with increased application of the new Bank Fraud Statute included in the Comprehensive Crime Control Act. Referrals involving defense procurement fraud are expected to mushroom given recent Congressional and public attention and the Defense Contract Audit Agency's addition of over 200 plant-based auditors.

Law Enforcement Coordinating Committee (LECC)/Victim-Witness program - The addition of the 47 authorized LECC/Victim-Witness coordinators authorized by Congress in 1985 has greatly improved the quality of these programs in the districts that received the positions. The coordinators serve as the focal point in implementing several critical Department of Justice programs including its drug education activities. The coordinators have helped to bring together federal, state and local law enforcement personnel to receive training or carry out operations on several Departmental priorities such as child pornography, white collar crime, including fraud against the federal government, terrorism and drug prosecutions. The Department has also used the LECCs as the main method for distributing information on the Comprehensive Crime Control Act of 1984 and its asset forfeiture program. In addition, the coordinators are responsible for providing direct client services to victims and witnesses in the federal system and administering all assistance activities including preparation of impact statements; provision of referrals for victim-witness counseling; and, assisting with witness protection, victim compensation and restitution arrangements. Many mid-size offices which do not have an individual solely dedicated to this task are at a significant disadvantage in performing these functions. Accordingly, an increase of 17 positions, 12 FTE workyears and $522,000 is requested.

Physical/Personal Security To cope effectively with the threats of reprisal/intimidation attacks by criminal elements and to protect both employees and ever increasingly sensitive/classified material in the U.S. Attorney and OCDE offices, an increase of $500,000 is requested. Investigations of large-scale narcotics trafficking and other highly international criminal activities have made OCDE and U.S. Attorney personnel and facilities targets for reprisal/intimidation attacks. In addition, the investigations' information collected become very valuable to the investigations' targets. In several instances, investigatory information has included national security classified information from foreign counter-intelligence units within the intelligence community.

Security standards, approved by former Deputy Attorney General Jensen, have been established for the OCDE offices. The Department of Justice Security Staff has conducted surveys of some OCDE and U.S. Attorneys' offices and has provided recommendations for enhanced security. Specific structural security deficiencies within various buildings that house U.S. Attorney offices have been identified.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil litigation.....	2,024	1,989	$113,282	2,099	2,040	$121,987	2,179	2,100	$125,957	80	60	$3,970

Long Range Goal: To protect and to advance the interests of the United States through the conduct of civil litigation.

Major Objectives:

To improve productivity and cost effectiveness through maximum use of paralegal resources to meet expanding litigation requirements.

To respond promptly and professionally to all suits brought against the United States, its officers and employees.

To conduct affirmative litigation professionally to recover for the United States all possible monetary losses and compensation for damages suffered by the United States.

To support federal programs, as necessary, by litigation and negotiation.

To collect monies owed to the United States and to increase the effective rate of recovery.

To articulate completely and forcefully the positions of the United States on issues presented by the Courts of Appeals.

Base Program Description: Although the civil litigation activities of the U.S. Attorneys are less visible and publicized than those of the criminal program, civil matters and cases consume a significant portion of the U.S. Attorney resources. An estimated measure of this can be seen from the following figures taken from 1986 data. Excluding appeals, collections and management hours, the U.S. Attorneys expended 32 percent of all attorney workyear resources in support of civil litigation, 44 percent of the paralegal workyears, and 40 percent of the clerical workyears.

To an ever-increasing extent, controversies between the U.S. Government and private parties have become the subject of civil litigation. Except for collections cases, there are almost twice as many suits initiated by private parties against the U.S. Government as there are suits initiated by the U.S. Government itself. The litigation brought against the government covers a range of causes of action including torts (damage suffered as a result of government action--e.g., collision with a postal service vehicle, malpractice by a government physician, invasion of privacy by a government agent), the determination of social security benefits, tax refunds, contract violations, racial/sexual/age discrimination, and habeas corpus. The U.S. Government, on the other hand, initiates civil litigation against private parties for a wide range of purposes of its own. These purposes include the recovery of money obtained from the government by fraud, the acquisition of interests in land by eminent domain proceedings, the enforcement of administrative summonses, the enforcement of environmental, admiralty, civil rights and other laws for which there are civil law penalties, and the recovery of debts owed to the U.S. Government.

The representation of the U.S. Government in civil litigation has a very tangible effect on government assets. A thorough, well-developed defense will operate to minimize the exposure of the government to claims against it. Similarly, an aggressive advocate on behalf of the government will maximize the amounts recovered in plaintiff actions. Furthermore, the effectiveness of the U.S. Government's representation often has an impact beyond the individual case which is the subject of litigation. Precedents set in particular cases may affect the ability of the U.S. Government to protect itself against future claims as well as its ability to pursue future claims of its own.

Few civil cases are actually resolved by trial. In 1986, for instance, only 1,019 cases were concluded by trial compared with 81,107 which were either withdrawn, dismissed, disposed of on review of an administrative record, or settled prior to trial. Nonetheless, many pre-trial hours are spent in court by civil attorneys. In 1986, civil attorneys spent 54,588 hours before the district courts, 17,885 hours before the bankruptcy courts, and more than 26,352 hours in special masters hearings or other similar proceedings. Although few cases actually go to trial, the ability of the government to obtain favorable dispositions depends to a large extent on the opposing counsel's perception of the government's probability of success in the event of trial, and the success of the United States in preliminary motions practice. For this reason, even though a trial is unlikely, each case must be prepared as if a trial were imminent.

In conducting civil litigation, U.S. Attorneys work closely with the legal divisions of the Department of Justice and the affected agencies to ensure that the government's interests are fully represented to opposing counsel and to the court. The U.S. Attorneys participate in negotiations with opposing parties, file appropriate motions and memoranda with the court, present the government's position in hearings before the court, take depositions, organize evidence, and conduct trials as necessary. The U.S. Attorney has authority to settle matters under $200,000.

Court proceedings are governed by many complex rules of law which are applied to actual situations. During the course of litigation, a trial judge is required to apply procedural rules and/or substantive legal theories to situations which are presented by the litigants. Either party can appeal the rulings. At the conclusion of the lower court proceedings, the losing party may petition a higher court to overturn the lower court judgment. As the U.S. Government generally prevails in civil cases, a significant amount of appellate activity involves the U.S. Government defending the trial judge's ruling. As a result, the level of appellate activity required by the U.S. Attorneys is directly related to their rate of success in the district courts. Appellate activity may flow from either trial or preliminary motions practice.

A majority of the civil appeals are handled by the U.S. Attorneys' offices. After considering the pertinent case law, the transcript, and any other information which bears on the issue, the Assistant U.S. Attorney formulates a written argument supporting the position of the U.S. Government. After filing the brief, the Assistant U.S. Attorney may be required to participate in oral argument before the court. If further appellate proceedings are required, the Assistant U.S. Attorney may be called upon to assist the Department's legal divisions and the Solicitor General in preparing the case for review by the U.S. Supreme Court. To ensure that a national perspective and consistency are attained, the preparation of appellate cases is coordinated with the appropriate legal division of the Department of Justice. All appeals brought by the U.S. Attorneys to overturn a lower court ruling are individually authorized by the Solicitor General.

72-165 O—87——21

Accomplishments and Workload: The civil litigation workload of the U.S. Attorneys follows:

Item	1985	1986	Estimated 1987	Estimated 1988
Matters received	118,249	95,475	96,000	98,800
Matters terminated	117,230	99,767	101,760	104,800
Matters pending EOY	40,420	34,729	24,169	23,447
Cases filed	103,877	88,720	90,500	93,200
Cases terminated	87,963	84,709	86,400	89,000
Cases pending EOY	162,554	162,017	166,117	161,133
Appeals filed	2,973	2,721	2,774	2,854
Appeals terminated	2,553	2,583	2,633	2,709
Trials	2,918	1,019	1,039	1,069

During 1986, there were several factors contributing to temporary reductions in the civil litigation workload. The effects of the budget reductions imposed by the Gramm-Rudman-Hollings Balanced Budget Amendment caused deferrals of civil litigation activity in 1986 since criminal caseloads were a priority while severe funding shortages were being experienced. Concurrently, there were less client agency referrals during the year from Health and Human Services, Department of Education, and the Veterans Administration. Also, as a result of the implementation of the Internal Revenue Service Tax Return Offset Program, client agencies such as the Department of Education, Veterans Administration, Small Business Administration, Housing and Urban Development and the Department of Agriculture redirected efforts toward this initiative which caused the reduction of potential referrals to the U.S. Attorney. When comparing civil litigation workload statistics from 1985 to 1986, it should be noted that some referrals in 1985 were extraordinarily high. Specifically during 1985, the Department of Education, alone, referred over 14,000 additional matters compared to previous years. Therefore, 1986 is lower because 1985 contained an unusually high referral rate. It is estimated that rates of referrals will begin to increase during the latter part of 1987 and during 1988, but not to a level as high as 1985.

During 1986, U.S. Attorneys' offices collected over $216.7 million in cash from civil cases alone. The collections were obtained from civil mortgage foreclosures for $45.8 million, $10.7 million from civil penalities and foreitures, $63.6 million for civil judgments and $74.4 million for other civil cash collections. These amounts do not include non-cash amounts recovered, e.g., airplanes, houses and other personal property acquired by the government.

Program Change: Increases of 80 positions, 60 FTE workyears and $3,970,000 are requested for the Civil Litigation program in 1988 to pursue affirmative civil litigation aggressively ensuring maximum recovery of monies by the U.S. Government.

The Affirmative Civil Enforcement initiative seeks to reach untapped sources of cash recoveries by the U.S. Government in civil prosecutions for fraud against the government, abuse of government programs and defaults on government obligations. This initiative will identify civil recoveries of significant dollar value and obtain those recoveries promptly, thereby making more effective use of civil litigation to enforce program objectives of client agencies. This program is expected to increase recoveries to the U.S. Government by approximately $60 million in the first full fiscal year after implementation. The anticipated sources of these recoveries are litigation in the areas of fraud and abuse of government programs; forfeiture in drug cases; matters having a significant potential for substantial civil recoveries to the U.S. Government that advance or support program objectives of client agencies; and, an increasing number of cases referred to the U.S. Attorneys' offices in the areas of bankruptcy, real estate foreclosures, and debt collection. The estimates of potential recoveries in this program are premised upon the experience of the Affirmative Civil Litigation Unit in the Eastern District of Pennsylvania where cash recoveries increased from $3 million in 1983 to $28 million in 1985. By applying the same rate of return per Assistant U.S. Attorney, it is estimated that each attorney workyear devoted to this program will result in an additional $2 million in civil recoveries.

Each of the litigation areas named above represents significant recovery potential. A review of several associated statistics underscores their magnitude:

- The GAO referring to the need for greater fraud prevention efforts in its 1987 report,* quotes an annual fraud pricetag of $200 billion.

- Civil penalties and forfeitures collected by U.S. Attorneys totalled over $82 million in 1985 (as contrasted with the $6.5 million collected for criminal penalties and forfeitures -- a difference which emphasized the efficacy of proceeding civilly.)

- For evidence of burgeoning referrals and dollars associated with bankruptcy, real estate foreclosures and debt collection, one need only look at the Farmers Home Administration's (FmHA's) loan portfolio. According to GAO,** between 1975-1984 FmHA farm debt increased over 400 percent growing from $5 billion to $26 billion. Compounding the bleak situation in the farm belt is the recent surge of bankruptcies and foreclosures in the energy belt. According to recent figures compiled by the Administrative Office of U.S. Courts, the number of bankruptcy petitions filed in the most affected states (Texas, Louisiana and Oklahoma) rose a startling 32 percent between March and December, 1985. No diminition in this trend is foreseen in the near future. In February, The Wall Street Journal reported*** that "... a new wave of bankruptcy filings is expected and some of these could be major." Those most likely to be affected include not only independent producers and rig operators but real estate developers and banks as well. Even more recently The Washington Post cited court officials who project that, nationwide, "... the number (of bankruptcies) is expected to mushroom to 520,000 in fiscal year 1987, far above any previous year."****

Apart from the beneficial financial implications accruing from such an enforcement effort, the qualitative returns on investment in this program include: strengthening the fiscal integrity of government programs through aggressive litigation in cases where those programs are subject to fraud and abuse; increasing the cash flow realized from narcotics forfeitures thus increasing the forfeiture assets shared between state and federal narcotics law enforcement agencies--enhancing federal, state and local law enforcement cooperation; and increasing the productivity of existing resources devoted to bankruptcy, real estate foreclosures and debt collection by increasing the paralegal to attorney ratio.

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* Management of the U.S. Government--Fiscal Year 1987, Executive Office of the President, Office of Management and Budget, p.86.

** "An Overview of Farmer Program Debt, Delinquencies, and Loan Losses; Farmers Home Administration", Released January 30, 1986.

*** "Plunge in Oil Prices Brings Economic Woes to Energy-Belt States", The Wall Street Journal, February 4, 1986, p.1.

**** "U.S., Area Bankruptcy Filings Growing at a Record Pace", The Washington Post, May 14, 1986, p.1.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal education.....	25	24	$2,721	20	19	$2,833	20	19	$3,285	...	...	$452

Long-Range Goal: To improve the quality of Government legal representation.

Major Objectives:

To provide effective, quality continuing legal education to an increasing percentage of the federal attorneys and other legal personnel.

To provide special training to meet policy priorities and special problems such as victim and witness protection and the Organized Crime Drug Enforcement Task Forces, which cross department and agency lines.

To offer video and audio tapes and other materials as a means of reaching a greater percentage of the federal attorneys in district and regional offices of the U.S. Government, and to reduce the travel costs associated with Washington-base continuing legal education.

Base Program Description: The Office of Legal Education administers two institutes that provide continuing legal education to federal attorneys. The potential audience for continuing legal education includes more than 17,000 attorneys and several thousand other legal personnel, mostly paralegal specialists. The primary vehicle for providing instruction to Department attorneys is the Attorney General's Advocacy Institute (AGAI). The AGAI utilizes experienced trial attorneys and federal district court judges as instructors for lecture, discussion, and performance exercise sessions. Through the use of video tape facilities, student performances are recorded and played back for analysis and critique. By conducting courses in Washington, D.C., the AGAI also offers a means of introducing new Assistant U.S. Attorneys, as well as the Department's legal division attorneys, to the operational practices of the Department headquarters. Specialized topics are covered in lecture and problem-solving workshop sessions; these short seminars are held in Washington, D.C., and in locations around the country.

While the Advocacy Institute focuses on teaching courtroom technique, discovery and negotiation skills to Department attorneys, the Legal Education Institute (LEI) teaches administrative advocacy and a wide variety of substantive subjects to attorneys and other legal personnel employed throughout the Executive Branch. The federal perspective on topics practiced by legal personnel are presented in lecture and problem-solving workshop sessions; administrative and courtroom advocacy skills are taught through workshops during which exercises are videotaped for critical analysis by experienced practitioners. Federal attorneys and other legal personnel are not only participants but are also advisors, curriculum developers, and teachers of the LEI program. The programs are held primarily in Washington, D.C., and in other cities that have concentrations of federal employees.

Accomplishments and Workload: The legal education workload of the U.S. Attorneys is presented below:

			Estimates	
1980	1985	1986	1987	1988
Advocacy Institute (AGAI)				
Criminal sessions offered	5	5	6	10
Advanced criminal law sessions	3	2	4	4
Civil law sessions offered	6	5	6	6
Paralegal sessions offered	...	...	...	4
Appellate sessions offered	4	3	4	4
Total courses offered AGAI	18	15	20	25
Students receiving AGAI instruction	728	832	840	1,320
Specialized seminars conducted	18	8	25	25
Students participating in specialized seminars	2,080	800	2,120	2,120

			Estimates	
	1985	1986	1987	1988
Legal Education Institute (LEI)				
Total courses offered LEI	109	77	107	100
Students receiving LEI instruction	6,168	4,789	6,168	6,500
Students receiving private sector training sponsored by OLE	400	200	500	500
Total students receiving AGAI and LEI instruction	9,376	6,621	9,628	10,440

The AGAI and LEI continue to increase the types of courses offered and the number of attorneys covered. In 1986, approximately 6,421 Executive Branch attorneys and other legal personnel attended courses with approximately 4,789 of these in LEI programs. The continuing legal education instruction hours were distributed as follows: AGAI 730, LEI 921. Participants represented every federal executive department and agency and 52 of the 53 independent government establishments. During 1986, LEI refined its newly developed courses and updated all its offerings.

The AGAI, in addition to the continued improvement in the basic courses, introduced a number of new subjects to the seminar series. For example, in response to requests from the litigating divisions, the Advocacy Institute has offered seminars in public corruption, economic crime and forfeitures, and federal tort claims. Special sessions have been held to meet special problems, such as the new Advanced Appellate Course, and the Drug Prevention conference for U.S. Attorneys.

In some instances, there have been joint responses by the two institutes. For example, the continuing confusion and complexity in bankruptcy law as a result of the Supreme Court's decision several years ago have made it necessary to increase the number of offerings in the Bankruptcy Law series for agencies as well as for the Department of Justice. Each institute added a slightly different version of the Freedom of Information Act for Attorneys and Access Professional Seminar to meet different needs. Also, in both institutes, there has been an attempt to make better use of video beyond the taping and playback of exercises. The institutes announce and administer the programs from Washington, D.C., but the agency regional offices provide federal space and equipment for videotape viewing of some courses by federal personnel in each city. Showings were held in eleven different regional cities in 1986. NJI provides federal personnel outside Washington, D.C., with easy, inexpensive access to courses through its videotape program and out-of-town offerings.

Program Change: An increase of $452,000 is requested for the Legal Education Program in 1988.

This increase of $452,000 is requested for the Attorney General's Advocacy Institute Program in 1988 to accommodate the training requirements of new attorney and paralegal positions requested in the U.S. Attorneys' program. Funds will cover the travel and tuition costs of a greater number of personnel to attend a greater number of course offerings. New courses will be developed for paralegals as a means to facilitate their expanded role in the operations of U.S. Attorney offices.

	1987 Appropriation Enacted			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount
Organized crime drug enforcement...	519	502	$29,857	519	502	332,376	563	536	$34,933	44	34	$2,557

Long-Range Goal: Through the coordination of federal, State, and local law enforcement, identify, investigate and prosecute members of high-level drug trafficking enterprises, and to destroy the operations of those organizations.

Major Objectives:

To prosecute individuals who organize, direct, finance or are otherwise engaged in high-level illegal drug trafficking enterprises, including large scale money laundering organizations.

To promote a coordinated drug enforcement effort in each Task Force area, and to encourage maximum cooperation among all drug enforcement agencies.

To work fully and effectively with State and local drug enforcement agencies.

To make full use of financial investigative techniques, including tax law enforcement and forfeiture actions, to make possible government seizure of assets and profits derived from high-level drug trafficking.

Base Program Description: The Organized Crime Drug Enforcement (OCDE) program implements a major Administration initiative to combat organized crime and drug abuse. Drug trafficking and organized crime remain among the most serious crime problems facing the nation. According to a March 1986 report issued by the President's Commission on Organized Crime: "Drug trafficking is the most widespread and lucrative organized crime operation in the United States, accounting for nearly 40 percent of this country's organized crime activity and generating an annual income estimated to be as high as $110 billion." The proceeds from drug sales further enable organized crime to implement an array of serious crimes, including bribery of public officials, infiltration and take over of legitimate business firms, and money laundering and bank fraud which weaken key elements of the nations economy.

The OCDE program represents the utmost degree of cooperation and coordination among federal, State and local law enforcement agencies. One of the key elements of the program is the establishment of the thirteen regional task forces to fight drug trafficking. The regions identify, investigate and prosecute members of high-level drug trafficking enterprises to destroy the operation of those organizations. The range and nature of the investigative techniques requires continuing and intensive participation by Assistant U.S Attorneys in the development of investigative strategy and in the provision of continuing counsel to ensure that evidence growing out of investigations will be complete, conclusive, proper and admissable.

Accomplishments and Workloads: The Organized Crime Drug Enforcement workload of the U.S. Attorneys follows:

ITEM	1985	1986	Estimates 1987	Estimates 1988
Cases initiated	370	455	554	592
Cases in which indictments are returned	250	389	494	526
Indictments returned	889	1,241	1,385	1,480
Defendants indicted	3,157	4,418	4,986	5,328
Defendants charged with Racketeer Influenced and Corruption Organization	138	164	199	213
Defendants charged with Continuing Criminal Enterprise	144	198	224	240
Defendants convicted	1,482	2,184	2,393	2,557

In accomplishing program goals, the thirteen Task Forces have focused on cases involving members of major drug trafficking organizations, particularly traditional organized crime figures; other organized criminals and professionals who are importing and/or distributing large amounts of controlled substances or are financing them; and physicians or pharmacists illegally dispensing substantial quantities of prescription drugs. As of December 1985, the thirteen Task Forces had convicted 2,453 individuals, including 271 convictions under statutes aimed at heads of criminal organizations; fines, seizures and forfeitures of property and cash exceeding $440 million; and large quantities of drugs being removed from the market. For example, over 29 kilograms of heroin, 1,350 kilograms of cocaine, 4,957 kilograms of cannabis, and 693,065 dosage units of dangerous drugs were removed through OCDETF cases in 1985 alone. Additionally, during the first nine months of calendar year 1986, cash seizures amounted to $71,664,669 and property seizures amounted to $87,061,609. During the same period of time, cash forfeitures amounted to $13,987,154 and property forfeitures amounted to $22,371,148.

As a result of the September 1985 OCDETF coordinator's conference, the OCDETF Administrative Unit presented the coordinators' issues and ideas to the OCDETF Washington Agency Representative Group in November 1985, and members of that group were asked to conduct further analysis from their respective agency perspectives. The group is to prepare a comprehensive report for the Working Group -- the report will address both the coordinators' concerns and the Aurora Associates, Inc., caseload study. The Working Group plans to use the information to refine the OCDETF program.

In June 1986, the General Accounting Office (GAO) prepared a fact sheet for the Chairman, Subcommittee on Criminal Law, Senate Committee on the Judiciary, with information on the dollar amounts of criminal fines which (1) could have been imposed by the courts at sentencing, (2) were imposed by the courts, and (3) had been collected as of December 31, 1985, for defendants prosecuted as a result of the OCDETF Program. It was found that criminal fines totalling $8 million were imposed by the courts for 315 of the 1,440 offenders and 1,127 offenders had no fine imposed. Only $509,000 (7 percent) had been collected by the government as of December 31, 1985. This information should be considered during congressional deliberations on a proposed amendment to the Comprehensive Crime Control Act of 1984, expanding the Sentencing Commission's authority over the imposition, modification, and remission of criminal fines.

During the period June 10-12, 1986, an Assistant U.S. Attorney Task Force coordinators' meeting was held to assist the National Drug Enforcement Policy Board (NDEPB) in the formulation of its U.S. Government statement of strategy for drug investigation and prosecution. A final paper was submitted to the NDEPB on behalf of the coordinators, including their recommended changes. Also, as a result of this meeting, it was proposed that the Immigration and Naturalization Service (INS) be included as a full partner in the OCDETF program. Accordingly, the Deputy Attorney General signed an implementation plan in December 1986, which authorized INS to assign 13 coordinators, one to each Task Force and designate a number of field agents as dedicated Task Force Agents.

In July 1986, a study was published by the GAO which reported that of the 48 Task Force coordinators: (1) 35 indicated that the Task Force program has enhanced attorney involvement in investigations; (2) 47 said it helped improve the full use of investigative techniques; and (3) 44 indicated that the program had achieved positive results, such as a greater number of RICO and CCE cases.

A caseload study conducted by Aurora Associates, Inc., in August 1985 revealed that the data contained in the Case Monitoring System does not capture essential operational variables as personnel allocation per case phase or overal utilization of attorney time. As a result, the system is planned to be upgraded in 1987 which should improve case monitoring and attorney time utilization.

Program Change: An increase of 44 positions, 34 FTE workyears and $2,557,000 is requested for the Organized Crime Drug Enforcement program in 1988.

This increase is requested to support adequately the Administration's initiative in the war on drugs. To not lose the initiative gained with other law enforcement agencies, existing resources must be fully utilized to maintain full pressure on drug dealers. At the same time, new cases must be handled. In 1986, the Internal Revenue Service nearly doubled its tax cases over the 1985 level. This increase plus joint investigations with other agencies will result in more OCDETF cases being filed in 1986 through 1988. Normally, an OCDETF case which contains counts against tax laws nearly doubles the trial time necessary to present the case to a jury.

As noted earlier, in 1987, the Immigration and Naturalization Service (INS) will become a formal participant in the OCDETF program. This represents an increase of 80 agents. A caseload study of the Organized Crime Drug Enforcement Task Force Program published in August 1985 found that "good cases" utilized the services of four Federal agents for each Assistant U.S. Attorney. With the increase in INS agents, the ratio will increase to 5:1. At the same time, as a result of the U.S. Attorneys' Law Enforcement Coordinating Committees initiatives, it is anticipated that the Drug Enforcement Administration and state and local agencies will continue to bring substantial drug cases which will require a full range of attorney attention.

The number of task force cases increases annually as federal agencies become more effective in developing intelligence about drug organizations. Each new case indicted leads ultimately to additional suspects. Also, local law enforcement is increasingly coming to the task force with large potential cases. As more cases lead to conviction at trial, the number of appellate matters handled by each Assistant U. S. Attorney increases proportionately. If new cases are to be worked, additional resources will be needed merely to keep pace with the appellate workload.

In addition to continuing to handle the volume of multi-defendant cases which are presented to the task forces and maintaining the cooperation between federal, State and local agencies in the prosecution of individuals, the OCDETF plans to continue to focus on the forfeiture aspect of investigations and prosecutions to realize more monies recovered to the U. S. Treasury.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and administration...	148	176	$15,916	134	145	$15,652	134	145	$15,652	...	...	...

Long-Range Goal: To provide consistent direction and appropriate distribution of resources to the U.S. Attorneys and to respond promptly and efficiently to the administrative and management needs of the 94 U.S. Attorneys' offices.

Major Objectives:

To provide management, leadership and direction to the Executive Office for U.S. Attorneys and the U.S. Attorneys' offices.

To coordinate the successful implementation of all 94 district Law Enforcement Coordinating Committee plans.

To represent the interests of all U.S. Attorneys in the development of Department of Justice policy and to support system-wide consistency in the conduct of federal litigation.

To conduct field review, management audit and performance evaluations of each U.S. Attorney's office.

To formulate and execute an operating budget to satisfy the operational needs of U.S. Attorneys' offices.

To formulate and implement Equal Employment Opportunity plans.

To formulate and exercise personnel management policy and authority in order to obtain the most qualified individuals for positions in the U.S. Attorneys' offices.

To provide all administrative support necessary to obtain adequate space and equipment.

To complete the design and implementation of a caseload management system and to make available optimal office technology for the U.S. Attorneys.

To provide policy direction and resources that will result in optimal efficiency in the collection of debts owed the U.S. Government.

Base Program Description: The Management and Administration program encompasses all of the Executive Office for U.S. Attorneys (EOUSA) with the exception of the Office of Legal Education. The EOUSA provides general assistance and supervision to the 94 U.S. Attorneys' offices, and coordinates and directs the relationship of other organizational units of the Department with these offices. Through the Office of Information Management, the EOUSA provides U.S. Attorneys' offices with the information and automated information systems necessary to achieve Department objectives and to ensure efficient use of resources. The Evaluation and Review Staff of the EOUSA assists U.S. Attorneys in recognizing improvements that can be made in the use of professional personnel while reducing the cost of operating a U.S. Attorneys' office. The EOUSA, through its legal counsel unit, provides legal interpretations and advice to U.S. Attorneys on concerns such as legislation, regulations and departmental guidelines. In addition, the EOUSA has responsibility for implementing affirmative action programs within the U.S. Attorneys' offices while managing a discrimination complaint program through its Equal Employment Opportunity unit. The Debt Collection staff of the EOUSA provides direction and oversight to U.S. Attorneys in the conduct of their debt collection activities. One of the more critical responsibilities of the EOUSA is the oversight of each U.S. Attorneys' office Law Enforcement Coordinating Committee (LECC) program. Each office is responsible for the formulation and implementation of an LECC plan. These plans are the backbone of the Administration's efforts to join with State and local authorities in conducting law enforcement functions. Another important responsibility of the EOUSA is the exercise of personnel management authority within the EOUSA and the U.S. Attorneys' offices. The personnel authority includes all phases of personnel operations such as recruiting, classification, training, adverse action and employee relations. The acquisition and renovation of space as well as procurement of all equipment, furniture, supplies and material are program function of the EOUSA. Finally, through its Financial Management Staff, the EOUSA formulates and executes a budget for all 94 U.S. Attorneys' offices and itself. The formulation process includes any need for amendments, supplementals, reimbursements and transfers.

Accomplishments and Workload: Accomplishments of the Management and Administration program follow:

Item	1985	1986	Estimates 1987	Estimates 1988
1. EEO Unit				
a. Briefings on EEO activities and accomplishments	465	478	500	500
b. Technical assistance/Speaker Bureau contacts	275	1,014	1,000	1,000
2. Personnel:				
a. A&A appointments	785	1,968	2,025	2,204
b. Non-attorney appointments	1,133	2,187	5,262	5,882
c. Position classifications completed	612	2,432	1,998	2,528
d. Other Personnel actions processed	18,459	43,062	38,106	39,152
e. Security actions processed	N/A	5,684	8,743	10,857
3. Equal Employment Opportunity Unit				
a. Informal complaints received	12	33	20	20
b. Informal complaints terminated	12	29	15	15
4. Legal Counsel				
a. Freedom of Information requests received	1,847	1,536	1,700	1,750
b. Freedom of Information requests completed	1,118	3,076	2,500	1,750
5. Space renovations	905	126	967	1,048
6. Requisitions for services and goods processed	4,421	2,947	4,891	5,304
7. Purchase orders completed by EOSA	1,630	657	1,816	1,969
8. Office evaluation reports	70	21	54	95
9. Financial transactions recorded	8,584	6,320	7,000	7,500
10. U.S. Attorney cash collections ($000)	$338,218	$235,951	$248,000	$308,000

11. Office of Information Management

a. PROMIS and USACTS II computer based systems	23	28	46	46
b. USACTS word processing based systems	13	27	47	47
c. PROMIS/USACTS data base submissions to EOUSA	416	744	1,055	1,320
d. L&R input transactions	540,000	425,000	224,000	3,500

The Law Enforcement Coordinating Committee (LECC) Staff of EOUSA in conjunction with the Office of Justice Programs conducted a three day training conference for U.S. Attorney staff assigned LECC or Victim-Witness responsibility. The LECCs have since then held over 100 full committee meetings and numerous subcommittee meetings. A later conference was held on drug abuse awareness, education and prevention for U.S. Attorneys. National experts addressed the scope and societal impact of the drug problem, drug pharmacology, drug screening, and school prevention programs.

The Equal Employment Opportunity Office (EEO) received 33 new matters during 1986, 29 of which were closed either informally by resolution or failure of complaintant to follow through on the complaint. Five cases were referred to Legal Services for resolution purposes. One was resolved. Four proposed dispositions were rendered by the EEO office. Two hearings were requested by complaintants.

The Office of Legal Counsel received 1,536 and processed 3,076 Freedom of Information/Privacy Act (FOIA/PA) requests. A FOIA/PA Task Force was created to reduce the request backlog. The Attorney General's Advisory Committee of the United States Attorneys approved 18 "Bluesheet" policy statements submitted for inclusion in the United States Attorneys' Manual. A total of 76 Transmittals including 20 Bluesheets were issued, the majority of which has resulted from passage of the Comprehensive Crime Control Act of 1984.

One of the most significant accomplishments of the Financial Management Staff (FMS) was the formulation of 1988 budget estimates for the U.S. Attorneys' offices. Following the budget formulation process, the initial estimate was submitted for departmental review and a subsequent submission was formulated and forwarded to the Office of Management and Budget for its review. In addition to the budget formulation process, the FMS monitored and provided status of funds reports for use of EOUSA and Department policy level officials. The FMS added one additional district (Eastern District of New York) to its pilot project to place U.S. Attorneys' offices on individual operating plans. There are now three offices given responsibilities for monitoring all fund expenditures. Operating plans are now developed and monitored for the following units: Organized Crime Drug Enforcement Task Forces; Office of Information Management; Office of Legal Education; District of New Jersey; Southern District of New York and Eastern District of New York. Operating instructions for the establishment of Imprest Funds have also been distributed to all U.S. Attorney's offices. Ten districts have applied for this authority, which will expedite change-making for fine collections and enable offices to reimburse employees for out-of-pocket expenditures for miscellaneous small purchases i.e., money order fees and local transportation expenses.

Accomplishments for the Facilities Management and Support Staff were as follows: coordinated the second phase of the District of Columbia U.S. Attorney's office relocation for both the Superior Court and District Court operations; coordinated relocation of the U.S. Attorney's Office in Houston, Texas; acquired new space and submitted floor plans for the expansion and

consolidation of the Boston, Massachusetts office; acquired and renovated new space in Jackson, Mississippi; acquired new space in Tampa, Florida; Jacksonville, Florida; and Alexandria, Virginia; and upgraded the security of the Salt Lake City, Utah office. A facsimile network for the Executive Office staff and all but two U.S. Attorneys' offices was completed in 1986 enabling expeditious transmission of documents. With the addition of two new offices in 1986, there is now a total of seven offices with Grand Jury Court Reporter contracts. Five other offices have solicited bids for reporting services, and evaluations of two of the bids are presently underway.

In 1986, the Personnel Management Staff implemented the findings of studies conducted in 1985 to find means to improve personnel management services for over 150 staffed offices. The overall timeliness in processing transactions for over 5,000 employees has improved. The staff is near completion of two major projects on standards for the legal administrator and legal secretary professions. Personnel authority has been granted to a limited number of districts. The Personnel Management Staff is in the process of delegating similar authority to several more of the larger district offices.

The Evaluation and Review Staff (EARS) within EOUSA visits U.S. Attorneys' offices and conducts on-going evaluations as frequently as budget and time permits to ensure uniform quality of review, and to provide assistance to evaluators when reviewing very large offices. In 1986, 10 legal management reviews, 2 administrative reviews; and 9 collection reviews were completed. In 1986, EARS expanded the practice of acquiring workload data from client agencies and the Administrative Office for U.S. Courts. Client agency workload projections are used to project resource requirements (both personnel and other expenses) in the U.S. Attorneys' offices in the future. Related activities, the conduct of legislative and policy cost impact analyses, also provide resource projection data.

In late 1985, EARS was assigned the responsibility for allocating full-time equival TE) workyears to the U.S. Attorneys' offices. The management of FTEs was critical to maintaining operations during the severe 1986 funding restrictions mandated by Gramm-Rudman-Hollings reductions. In 1986 and 1987, each U.S. Attorney has been given an allocation of full-time permanent positions and FTE workyears as well as assistance in understanding their associated management implications.

The Office of Information Management (OIM) within the EOUSA provides direction and oversight to U.S. Attorneys in the conduct of their debt collection and general caseload management activities. They assure that Department objectives are being met and provide offices with the automated information systems necessary to support their litigating activities and to assure efficient use of resources. OIM is responsible for a multi-year project to provide modern word processing equipment to all U.S. Attorneys' offices and to implement caseload and collection management systems on word processors or computers in all districts. These systems bring modern word processing facilities to the smaller U.S. Attorneys' offices and provide hardware on which to operate a caseload and collection management system. Since the end of 1986, Lanier equipment has been operational in 108 locations in 67 districts and all U.S. Attorneys' offices have the ability to electronically communicate revisable documents to their staffed branch offices.

Contractor resources have been used for the implementation of the Prosecutors Management Information System (PROMIS) for caseload and collection management on Prime computers in the largest 20 districts. OIM personnel developed the United States Attorneys' Caseload Tracking System (USACTS) for use on Lanier equipment in the smaller offices. OIM personnel started USACTS implementations in January 1985 and began to direct PROMIS implementations when the implementation contract ended in March 1985. At the end of 1986, USACTS was operational in 27 districts and PROMIS was operational in 28 districts. During 1986, the OIM staff refined and modified PROMIS software to make it run on small PRIME computers. That system, called USACTSII, is now operational in two medium sized U.S. Attorney offices. It will be installed in 13 additional sites in 1987.

During 1986, the EOUSA joined forces with the Tax and Criminal Divisions to jointly acquire state-of-the-art office automation equipment which is compatible between the divisions and the U.S. Attorneys' offices. The equipment will increase the productivity of attorneys in litigating on behalf of the government.

Changes in caseload have dictated the use of computers instead of word processors for caseload and collection management in a number of mid-size offices. Eight optional computers from the original Prime contract and 15 additional small Prime computers have now been acquired, thus providing machines on which to implement PROMIS or USACTSII in a total of 46 districts. USACTS will be used on Lanier equipment in the remaining 47 districts. EOUSA will continue to implement PROMIS, USACTS and USACTSII at the rate of three districts per month assuming that wiring can be accomplished.

During 1986, OIM continued its efforts to enhance the automated legal research capabilities of the U.S. Attorneys' offices. At the end of the fiscal year, 153 JURIS custom terminals were installed in U.S. Attorneys' offices and their branches. Late in the fiscal year, communications software, which allows Prime terminals normally used for caseload management to be used as JURIS research terminals, was acquired for installation on all Prime computers. Over 1,000 individuals received JURIS training. The addition of the text of the U.S. Attorneys' Manual, and selected briefs written by the Office of the Solicitor General, Civil Division, and U.S. Attorneys themselves have made JURIS more useful. The U.S. Attorneys' offices continued to use JURIS terminals to access selected data bases provided by WESTLAW and LEXIS which are not a part of JURIS.

In 1986, computerized litigation support was funded for four highly publicized cases with complicated evidentiary problems. During the year, computer system managers in U.S. Attorneys' offices played a greater role in providing litigation support using individual districts' Prime computer facilities. However, the ability of local computer system managers to provide this support has been limited somewhat, due to the lack of easy-to-use litigation support software.

U.S. Attorney collections efforts continue to be severely affected by the transfer of the responsibility from the Courts for physically processing fine/assessments payments. Significant effort was expended implementing certain aspects of the crime control and fine enforcement acts and developing systems for handling significantly more payments than the Courts ever processed.

A new two page Claims Collection Litigation Report (CCLR) was implemented in 1986. It provides core information for claims for smaller amounts which almost never go to trial. Use of this form means less preparation work for the referring agencies.

United States Attorneys

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Criminal Litigation		Civil Litigation		Organized Crime Drug Enforcement		Legal Education		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades										
GS-9	25	$561	6	$135	2	$ 44	...	...	33	$740
GS-7	96	1,759	31	570	9	165	...	...	136	2,494
GS-5	103	1,525	13	193	8	118	...	...	124	1,836
Ungraded positions	194	11,190	30	1,730	25	1,442	...	...	249	14,362
Total positions and annual rate	418	15,035	80	2,628	44	1,769	...	...	542	19,432
Lapse (-)	-105	-3,199	-20	-415	-10	-380	...	...	-135	-3,994
Other personnel compensation	...	122	...	19	...	16	...	...	...	157
Total workyears and personnel compensation	313	11,958	60	2,232	34	1,405	...	...	407	15,595
Personnel benefits		1,584		300		180		...		2,064
Travel and transportation of persons		822		148		112		$182		1,264
Transportation of things		95		16		12		...		123
Standard level user charges		1,183		227		136		...		1,546
Comm. utilities and other rents		591		152		61		...		804
Printing and reproduction		200		64		25		...		289
Other Services		3,654		613		506		270		5,043
Supplies and materials		295		67		36		...		398
Equipment		763		151		84		...		998
Total workyears and obligations, 1988	313	21,145	60	3,970	34	2,557	...	452	407	28,124

United States Attorneys

Salaries and expenses, General Legal Activities

Priority Ranking

Base Program	
Program	Ranking
Civil Litigation	1
Criminal Litigation	2
Organized Crime Drug Enforcement	3
Legal Education	4
Management and Administration	5

Program Increase	
Program	Ranking
Criminal Litigation	1
Civil Litigation	2
Organized Crime Drug Enforcement	3
Legal Education	4

United States Attorneys

Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized	1988 Management Initiatives	1988 Program Increases	1988 Total
Attorneys (905)	2,654	2,720	-100	249	2,869
Paralegal Specialists (950)	367	385	250	81	716
Legal and Kindred (900-998)	979	979	...	...	979
Criminal Investigative Series (1811)	10	10	...	...	10
Social Sciences, Economics and Kindred (100-199)	2	2	...	...	2
Personnel Management (200-299)	28	28	...	...	28
General Admin., Clerical and Office Services (300-399)	1,761	1,812	-19	212	2,005
Accounting and Budget (500-599)	12	12	...	...	12
Library and Archives Group (1400-1499)	8	8	...	...	8
Supply Group (2000-2099)	2	2	...	...	2
Total	5,823	5,958	131	542	6,631
Washington	177	187	-19	...	168
Field	5,646	5,771	150	542	6,463
Total	5,823	5,958	131	542	6,631

Special Counsel for Immigration-Related Unfair Employment Practices

Salaries and expenses, General Legal Activities

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget			1987 Supplemental Requested			1987 Appropriation Anticipated		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Special Counsel for Immigration-Related Unfair Employment Practices	...	...	...	30	13	$1,359	30	13	$1,359

Supplementals Requested

Supplemental funding is requested to establish the Office of Special Counsel for Unfair Employment Practices as set forth in P.L. 99-603, the Immigration Reform and Control Act of 1986.

Special Counsel for Immigration-Related Unfair Employment Practices

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to Base:	Perm. Pos.	Work-years	Amount
1987 as enacted	...	...	...
1987 program supplemental requested	30	13	$1,359
1987 appropriation anticipated	30	13	1,359
Uncontrollable increases:			
Annualization of 1987 program supplemental	...	17	561
1988 Base	30	30	1,920

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Inc./Dec.		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Estimates by activity												
Special Counsel for Immigration-Related Unfair Employment Practices	30	13	$1,359	30	30	$1,920	60	53	$4,235	30	23	$2,315

Special Counsel for Immigration-Related Unfair Employment Practices

Salaries and expenses, General Legal Activities

Justification of Program and Performance
(Dollars in thousands)

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Inc./Dec.		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Special Counsel for Immigration-Related Unfair Employment Practices	30	13	$1,359	30	30	$1,920	60	53	$4,235	30	13	$2,315

Long Range Goal: To reduce and deter national origin and citizenship status discrimination to the point where Congress can properly determine that there is no need for these provisions.

Major Objectives:

To remedy discrimination based on national origin or citizenship status caused by the implementation of the Immigration Reform and Control Act of 1986.

To review charges of discrimination and to initiate and file complaints with administrative law judges in appropriate cases.

Base Program Description: The Immigration Reform and Control Act of 1986 makes it an "unfair immigration related practice" to discriminate in hiring, recruiting, discharging, or referring an individual for a fee, because of such individual's national origin, or in the case of a citizen or intending citizen, because of that individual's citizenship status. The Act exempts from these prohibitions (a) employers of three or fewer employees, (b) claims which are enforceable under Title VII of the 1964 Civil Rights Act, 42 U.S.C. 2000e, and (c) employment actions based on citizenship status where the employer must discriminate based on citizenship in order to comply with requirements imposed by statutes, regulations, executive orders, government contracts, or where the Attorney General determines citizenship status is essential for an employer to do business with a federal, state of local government agency or department. In order to enforce the prohibitions in the Act, the position of "Special Counsel for Immigration-Related Unfair Employment Practices", has been created in the Department.

The Special Counsel will receive and investigate charges of discrimination filed by private individuals or those filing on their behalf, or Immigration and Naturalization Service Officers, and determine whether the charges warrant filing an administrative complaint. When the Special Counsel determines that such action is justified, he or she may file a complaint with an administrative law judge seeking injunctive relief and, where appropriate, back pay or civil monetary penalties or both. Once the administrative law judge finds a violation and issues relief, the Special Counsel may file an action in federal court to enforce such relief. Where the Special Counsel does not file an administrative action, the Act provides the individual the right to file his or her own aciton before an administrative law judge.

Accomplishments and Workload: Because this is a newly-established program, there are no accomplishments or workload data to report.

Program Change: For 1988, the Department is requesting an additional 30 positions, 23 FTE workyears and $2,315,000 to continue the efforts initiated in 1987. Since 1987 is the first year of operation for this office, it is difficult to estimate specific workload. However, based on general workload data obtained from the Immigration and Naturalization Service and on cost estimates provided by the Civil Rights Division, it appears that this request will be adequate to handle the responsibilities as set forth in P.L. 99-603.

Special Counsel for Immigration-Related Unfair Employment Practices

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Special Counsel	
Grades	Pos.	Amount
ES-2	1	$64
GS/GM 15	4	208
GS/GM 14	6	264
GS/GM 13	8	304
GS 11	7	182
GS 8	2	40
GS 7	2	36
Total positions and annual rate	30	1,098
Lapse (-)	-17	-256
Total workyears and personnel compensation	23	842
Personnel Benefits		96
Travel and Transportation of Persons		157
Transportation of Things		17
GSA Rent		234
Other Rent		530
Printing		35
Other Services		120
Supplies		50
Equipment		234
Total, workyears and obligations, 1988	23	2,315

Special Counsel for Immigration-Related Unfair Employment Practices

Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category

Category	1987 Supplemental Request	1988 Request	
		Program changes	Total
Attorneys (905)	15	15	30
Paralegal Specialists (950)	5	5	10
Other Legal and Kindered (900-998)	2	2	4
Social Sciences, Economics and Kindred (100-199)	5	5	10
General Administration, Clerical and Office Services (300-399)	1	1	2
Mathematics and Statistics Group	2	2	4
Total	30	30	60
Washington	30	30	60

OPENING STATEMENT

Mr. EARLY. The Committee is pleased to welcome Deputy Attorney General Arnold I. Burns. Mr. Burns, you may proceed with your statement. I understand you are going to make a statement that will include that of the other witnesses.

Mr. BURNS. Yes. I have a statement for the record, and I will try to give a brief summary.

Mr. EARLY. We will include your statement in its entirety into the record at this point, and your summation will be fine.

[Statement follows:]

DEPARTMENT OF JUSTICE

GENERAL LEGAL ACTIVITIES

STATEMENT OF THE DEPUTY ATTORNEY GENERAL

ARNOLD I. BURNS

BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and members of the Subcommittee:

I am pleased to appear before you in support of the 1988 budget request for the General Legal Activities appropriation. The Department is requesting $763,441,000 to fund 10,696 positions and 10,354 full-time equivalent (FTE) workyears. The 1988 GLA budget request includes $46,401,000 and 565 positions for the Antitrust Division, and $413,555,000 and 6,631 positions for the U.S. Attorneys. For 1988, we propose to transfer these litigating components into the appropriation. This year's request represents an increase of 864 positions, 698 FTE workyears and $140,603,000 over the comparable 1987 appropriation anticipated level.

The request includes uncontrollable increases of 111 FTE workyears and $59,591,000 and nonrecurring decreases of $4,179,000. Also included are increases of 109 positions and 35 FTE workyears and decreases of $4,471,000 associated with management savings initiatives and a program decrease of 100 positions, 85 FTE workyears and $2,109,000 for the Antitrust

Division. In addition, the request includes a transfer of $244,000 from the financial and administrative systems support group and 16 positions, 16 FTE workyears and $843,000 from the Interstate Commerce Commission. Our program increases total 839 positions, 621 FTE workyears and $90,684,000.

Please allow me to summarize for the Subcommittee the program changes we are proposing for 1988.

For the Criminal Division, we seek a program increase of $4,469,000 to fund 45 positions and 33 FTE workyears to combat organized crime, terrorism and procurement fraud. More specifically, 24 positions, 18 FTE workyears and $2,312,000 will be devoted to increasing organized crime prosecutions and addressing the recommendations of the President's Commission on Organized Crime. The Commission, in its report, noted organized crime's increasing involvement in drug trafficking and the emergence of new organized criminal groups. The Commission has recommended that the Department develop new initiatives against organized crime activity in labor unions and the market place, more specifically, to apply all of the remedies available under the Racketeer Influenced and Corrupt Organization (RICO) laws in an attempt to expand our efforts to decertify hoodlum unions.

In addition, $1,106,000 to fund 15 positions and 11 FTE workyears is being requested to provide legal advice to representatives and policy-makers responsible for responding to international terrorist incidents and other matters. As you

know, the Criminal Division is very involved in the extradition of terrorists for trial in the United States.

We are also requesting an increase of $708,000 for six positions, and four FTE workyears in the Defense Department procurement fraud area. The Defense Procurement Fraud Unit was established in 1982 to overcome the numerous problems that had been encountered in the investigation of important cases, such as Litton and General Dynamics in the 1970s and the early 1980s. On July 24, 1986, Litton Systems, Incorporated, was sentenced, following a plea of guilty, to 320 counts of false claims and mail fraud. This case, which involved mischarging material cost on contracts to the Army, Navy and Air Force, resulted in $15.7 million being paid back to the U.S. Government. The additional six positions will allow us to intensify our efforts, not only in the well-publicized cases but in the less well-known prosecutions as well. These false claims and fraud cases require thousands of work hours sorting through millions of pieces of documentation.

Finally, resources totaling $343,000 are also sought for litigation support, travel and overtime in the Criminal Division's public integrity, narcotics, and internal security programs.

The U.S. Attorneys are requesting a program increase totaling $28,124,000 for 542 positions and 407 FTE workyears for 1988. The major focus of this request is to beef up prosecution in the areas of narcotics and dangerous drugs, white collar

crime, affirmative civil litigation and defense of claims against the Treasury. Of the total program increase requested, $21,439,000 to fund 417 positions and 313 FTE workyears will be devoted to strengthening the prosecutorial posture in drug abuse and narcotics trafficking. Included are $2,557,000 to support 44 positions and 34 FTE workyears for the Organized Crime Drug Enforcement initiative and $320,000 for the Legal Education costs associated with the additional Assistant U.S. Attorneys in this request.

Enactment of the Omnibus Drug Supplemental Act of 1987 provided significant new resources for federal investigative agencies to create even greater momentum in our overall drug enforcement efforts. By 1988, U.S. Attorney personnel will be called upon to play an even greater role in the many and varied steps that must be taken to achieve successful prosecution, not only of high-level drug cartel members, but also of the leaders of mid-level trafficking organizations.

This includes becoming involved early in the investigative process by coordinating undercover operations or supervising Title III applications; coordinating and preparing for often lengthy grand jury presentations; handling sensitive witnesses who require special security protection; reviewing voluminous documentary material to track illicit assets and more. This challenge is not new to the U.S. Attorneys for they are in the front lines every day in virtually every federal court fighting the war against drugs. The drug-related resources we are

requesting are necessary if the new resources provided to the investigative agencies are to have a meaningful effect upon those engaged in illicit narcotics trafficking. Without additional staff for the U.S. Attorneys, a large portion of the additional referrals for prosecution will be declined.

For white collar crime prosecutions, we are requesting 28 positions, 22 FTE workyears and $1,561,000 to support the President's Council on Integrity and Efficiency by expanding even further our efforts to prosecute defense procurement fraud, government program fraud, money laundering schemes, bankruptcy fraud, and bank fraud and embezzlement.

Under our affirmative civil enforcement initiative, we are requesting $3,970,000 for 80 positions and 60 FTE workyears to generate additional revenue to the U.S. Government, using civil remedies, within the context of proceedings involving fraud and abuse of government programs, drug forfeitures, bankruptcy, real estate foreclosures and debt collection. Based upon our recent experience with this concept, we expect to generate an additional $60 million in income annually by 1989, of which a significant portion will be cash. The U.S. Attorneys' cash collections are expected to reach $270 million in 1988. Finally, we are seeking $522,000 to support 17 positions and 12 FTE workyears to improve cooperation between Federal, State and local law enforcement agencies by placing coordinators in selected mid-size districts,

and $500,000 for improvements to personal and physical security in various locations nationwide.

We request $13.6 million to support 114 positions and 72 FTE workyears for increases in the Civil Division. These increases will allow us to handle increased litigation workload in the Appellate, Torts, Commercial Litigation and Federal Programs areas and provide additional resources to meet our litigation responsibilities under the Immigration Reform and Control Act and the civil frauds legislation. In the Division's appellate litigation program, we have experienced increases in workload of more than 80 percent over the past five years while staffing has remained constant. The requested increase of $2,331,000 to support 34 positions and 21 FTE workyears will redress this imbalance and allow the Appellate staff to handle a greater share of this litigation.

The explosion in torts caseload continues to strain the Division's ability to defend the United States in cases where the government's exposure exceeds $125 billion. In view of this we are seeking an increase of $3,953,000 to support 20 positions and 13 FTE workyears for the Torts program. Our efforts in the conduct of torts litigation have generally resulted in a success rate of 98 percent in claims defeated or settled at a reduced level. In 1988, we estimate that at the base level of funding, net savings to the government in claims defeated or settled at lower amounts will be approximately $4.0 billion. At the request

level, we anticipate those savings to grow to $4.8 billion--an increase of 20 percent. This contrasts with growth in requested resources of only six percent in workyears and 14 percent in total litigation costs. For each dollar spent on defensive litigation in 1986, we defeated $121 in claims.

In order to defend government programs and avoid concomitant raids on the Treasury, we are asking for an additional $1,413,000 for 20 positions and 13 FTE workyears for the Federal Programs activity. Currently, we are defending programs where the exposure to the Treasury can reach billions of dollars.

In the area of affirmative litigation, especially with respect to false and fraudulent claims against the government, we request $4,492,000 to support 29 positions and 18 FTE workyears for the Commercial Litigation program. These resources will allow the Division to provide adequate support to the Administration's goal of achieving substantial reductions in money lost through waste fraud and abuse. While the increase represents an enhancement of 16 percent in funding and six percent in workyears over the base level of resources, our recoveries of money in fines, penalties and judgments are expected to increase by over 18 percent from an estimated $88 million to $104 million. During the past five years, the Commercial Litigation Branch has returned over six dollars for every dollar invested in litigation for the recovery of money.

At this rate, recoveries in 1988 could reach $166 million at the base level and $193 million at the request level.

Finally, we are seeking $1,390,000 for 11 additional positions and seven FTE workyears for the Office of Immigration Litigation to handle increases in litigation brought about by the passage of the Immigration Reform and Control Act. These resources, including two positions and $156,000 reflected under the appellate area, are required to handle additional workload arising from its provisions.

For the Tax Division, we request an increase of $10,977,000 to fund 70 positions and 54 FTE workyears. Of that amount, 10 positions, seven FTE and $2,151,000 will be required to address the additional workload generated by the Tax Reform Act of 1986. The tax appellate program's caseload will increase by at least forty new cases as a result of numerous suits contesting the technical provisions of the Act. In addition, the Division's civil tax litigation program caseload will increase by six hundred cases dealing with refund claims. The potential amount of judgments and fines as a result of civil tax litigation may reach $1.8 billion in 1988 and may increase to $2.0 billion with our resource increase. There is also a savings of 18 positions, 17 FTE workyears and $193,000 resulting from management initiatives.

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The remaining 60 positions, 47 FTE workyears and $8,826,000 will be devoted to the additional workload generated as a result of program increases provided to the Internal Revenue Service by Congress in 1987. The Tax Division's request includes litigation increases in three areas: (1) refund and appellate litigation as a result of the IRS initiative to reduce backlogs; (2) collection-related litigation to support the increased IRS collection activity; and, (3) organized crime and drug enforcement prosecutions to support the efforts of additional IRS special agents.

For the Antitrust Division, we request a program decrease of $2,109,000 which funds 100 permanent positions and 85 FTE workyears. The reduction reflects a realignment of policy and support functions and will not in any way diminish our enforcement efforts. Specifically, the Department expects to continue the efforts of its primary enforcement activities, which include the vigorous prosecution of hard-core horizontal antitrust violations, such as price fixing, bid-rigging and market allocations among competitors. These are areas that we believe are the most essential among antitrust enforcement. The proposed savings in resources are possible because of improved efficiency, better use of staff and automated resources and streamlined reporting, economic analysis, management, and support functions.

We are requesting an increase of $158,000 for the Office of Solicitor General, allowing it to buy existing computer equipment and expand the existing case-tracking system. The Office will be able to do away with the last remnants of its manual case-tracking system. As you know, the Office conducts and supervises all aspects of government litigation in the U.S. Supreme Court and approves federal appellate actions brought by the United States.

Mr. Chairman, I point with pride to this Administration's civil rights enforcement record. In the past six years we have brought more cases involving acts of racial violence than ever before in our history. More than twice as many Klansmen have been arrested and convicted than in the previous administration. We have obtained more convictions of members of other hate groups, and our success rate in the prosecution of criminal civil rights cases stands today at an all-time high of 82 percent. In most areas of the country the Klan and its splinter groups have been significantly weakened or entirely eliminated in large measure because of this effort. And there are many, many more criminal investigations underway.

Nor does our criminal enforcement record begin to tell the whole story. In every other area of our civil rights responsibility -- housing, education, voting, employment, institutionalized persons -- we have compiled an impressive record of accomplishment. To vigorously continue our efforts we

seek an additional $800,000, to allow the Division to hire outside consultants. These consultants, who will primarily be used in three program areas, will perform a number of various analyses for the Division. The use of consultants is also vital to the development of complex statistical data bases.

Specifically, the consultants will perform on-site inspections of public facilities as mandated by the Civil Rights of Institutionalized Persons Act (CRIPA) for the Special Litigation program. They will also develop and maintain large data bases and analyze election data to determine the existence and degree of racially polarized voting. Finally, they will perform statistical and computer services to permit the program to conduct title VII investigations in a manner conducive to pre-suit settlement or settlement by consent decree.

We are also requesting an increase of $2,315,000 to fund 30 positions and 13 FTE workyears to complete setting up the Special Counsel for discrimination, initiated in 1987 pursuant to the Immigration Reform and Control Act. The Special Counsel will receive and investigate charges of discrimination filed by private individuals or those filing on their behalf, or Immigration and Naturalization Service officers, and determine whether the charges warrant filing an administrative complaint.

For the Land and Natural Resources Division, we request program increases of $6,499,000 for 26 permanent positions and 23 FTE workyears. Of the total, $4,779,000 for 14 positions, and 12

FTE workyears are requested to address the expected growth in caseload that will result from new programs under the Resource Conservation and Recovery Act, the Safe Drinking Water Act and the Clean Air and Water Acts. In addition, $1,720,000 for 12 positions, and 9 FTE workyears are requested for the general litigation program to fund increased new activity under the National Forest Management Act; federal water rights litigation in several western states; and, the Navy Port Dispersal Plan for major new construction at ten nationwide sites.

Over the past five years, the Land and Natural Resources Division has returned over four dollars for every dollar spent on environmental enforcement litigation. At this rate, recoveries in 1988 could exceed $23 million at the base level of funding and $35 million at the request level. Similarly, in defensive litigation, the Division has protected revenues and provided cost avoidances of twice the rate of expenditures. In 1988, these benefits will top $12 million at the base level and $14 million at the request level.

An increase of $42,000 is requested for the Office of Legal Counsel's Presidential Emergency Action Document (PEAD) program. The goal for the PEAD project is to develop an entirely new portfolio of easily understood, legally sufficient and programmatically sound PEADs. A PEAD is a draft Executive Order, legislation or proclamation which may be required in order to perform essential functions more efficiently during a national security emergency.

The Department also seeks $23,181,000 in 1988 for the development and acquisition of office automation systems for the Washington-based legal divisions and U.S. Attorneys offices. A major portion of the requested funding will be committed to a joint procurement for the Criminal and Tax Divisions and the U.S. Attorneys. This procurement provides for nearly 5,000 terminals for these organizations in 1988 and 1989, and it envisions eventual expansion of the system to 12,000 terminals.

This increase allows the Department to proceed with enhancements to office automation systems supported by already completed system analyses and studies. A major investment in new technology is essential because much of the current equipment and associated systems software is outdated or will soon become obsolete. In addition to the problem of technological obsolescence, some organizations are using equipment which was purchased in 1980-82 and is reaching the end of its useful life.

The Department is requesting $540,000 to fund 12 positions, and 9 FTE workyears to enable the U.S. National Central Bureau-INTERPOL to operate on a 24-hour basis. This organization, which represents a critical link in the Department's international law enforcement effort, faces an unending escalation in the volume of international message traffic and continual increases in its backlog. Twenty-four hour operations are essential to world wide criminal investigations such as INTERPOL conducts for police

agencies all around the globe and will speed the processing of message traffic between organizations in all the world's time zones.

As I mentioned earlier, Mr. Chairman, the Department proposes to transfer the Antitrust Division and the U.S. Attorneys as new components of the GLA appropriation. Finding ways to deal with the federal budget deficit demands that all program managers within the executive branch seek innovative approaches to cost containment. In recent years, the Department's litigating organizations have made real improvements in cost containment. We believe more can be done.

In order to allow full consideration of more far reaching concepts for changes in the conduct of the government's litigation, we believe we must seek the maximum flexibility to pilot test innovative methods of containing costs which are common to most or all litigating organizations. This flexibility arises once all litigating organizations are consolidated within the same appropriation. An example of such a change might be the creation of a new budget activity within the GLA appropriation which will fund all litigation support expenses. Under such an approach, all costs for transcripts, would be funded by a single source instead of being budgeted and managed separately by seven or eight components. Other examples might entail the consolidation of selected administrative support functions or

consolidated funding of certain field activities. As an additional benef.t, consolidation will improve management responsiveness to litigation crises.

In fact, the Congress has already agreed to allow the Department to use resources from the GLA appropriation to fund office automation systems in, not only the legal divisions, but also the Antitrust Division and the U.S. Attorneys. It should be understood, that consolidating these accounts will provide maximum flexibility without usurping the Congress' legitimate program oversight prerogatives. Any significant changes of this nature fall within the well established reprogramming notification procedures which are applicable to the Department's appropriations. As in the past, the Department remains prepared to discuss, with the Congress, ways in which the conduct of the government's litigation can be improved.

In 1987, the Antitrust Division and the U.S. Attorneys are independent appropriations and, as such, a consolidation within the GLA appropriation would not affect any other Departmental organization. An opportunity exists to join the three activities because of the current appropriation structure. Consolidation of these accounts would emphasize the Administration's commitment to streamlining its operational processes and ultimately save the taxpayers money. The public benefits most by our efforts to provide legal services unencumbered by the rigors of a technical appropriation structure. Flexibility is the key if we are to be successful in combatting today's criminal element while finding new ways to contain costs. With appropriate oversight and guidance from the Congress, we can work together to maintain a safe and just society.

INTRODUCTION

Mr. BURNS. Thank you. Mr. Chairman and Members of the Subcommittee: A lot has happened since I testified here last week, Mr. Chairman, and the most significant in my life, I became a grandfather. Two days ago I welcomed my first grandson, "Brendan Harris Burns," into this world.

Mr. EARLY. I am glad you are putting things in perspective, because you are very lucky. I have eight kids and I cannot marry off any of them. [Laughter.]

Mr. BURNS. I am thoroughly delighted, but I did not want more time go by before recording him in the record of Congress. And, as far as the unmarried children are concerned, I think we can profitably discuss things afterwards.

1987 SUPPLEMENTAL APPROPRIATION

First off, I should like to express my appreciation for the favorable consideration that this Subcommittee gave to our Fiscal Year 1987 Supplemental Appropriation, and its markup Tuesday afternoon.

The Attorney General and I, and all of us at the Department of Justice, are very appreciative of the support that this Subcommittee has given us through the years.

1988 REQUEST

Now, our Fiscal Year 1988 request for the GLA account, as you said, Mr. Early, totals $763,441,000 which will fund 10,696 positions, including the Antitrust Division and the U.S. Attorneys, which we asked you to include as additional components of the General Legal Activities (GLA) account.

The request represents an increase of $140,603,000 and 864 positions over the total anticipated 1987 Appropriation level of $622,838,000 and 9,832 positions for the GLA, Antitrust, and U.S. Attorneys accounts.

Our request includes uncontrollables of $59,591,000. That includes $18.4 million for annualization of the Federal Employees Retirement System, and $8.7 million for annualization of pay.

It includes the transfer of $843,000 and 16 positions from the Interstate Commerce Commission.

It includes the transfer of $244,000 for the financial and administrative systems support group. And it includes program increases of $90,684,000 and 839 positions.

From these requested increases, we have subtracted savings from management initiatives which add up to $4,471,000, nonrecurring decreases totaling $4,179,000, and program decreases totaling $2,109,000 and 100 positions.

Therefore, our requested increases and transfers of $151,363,000, less our management savings, nonrecurring decreases, and program reductions, when added to our 1987 appropriation level, net to our total 1988 total request of $763,441,000.

INCREASES TO MEET LEGISLATED MANDATES

For the Department's litigating organizations we are requesting increases in several areas. Much of our proposed increases are the result of new responsibilities given to us by the Congress with the passage of recent legislation. This includes:

The 1986 Anti-Drug Abuse Act;
The Immigration Reform and Control Act of 1986;
The Tax Reform Act;
The False Claims Act Amendments of 1986;
The Program Fraud Civil Remedies Act of 1986;
The Anti-Kickback Act of 1986; and
The Bankruptcy Judges, United States Trustees and Family Farmer Bankruptcy Act of 1986.

Please permit me to highlight for the Subcommittee some of the programs we are proposing for 1988. Let me start, if I may, on the criminal side.

CRIMINAL DIVISION

More work must be done to eliminate organized criminal activity in labor unions and the market place. More must be done to eliminate white-collar crime. More must be done to stop drug traffickers from turning our cities into "Crack" houses and sapping the vitality right out of our greatest resource, our citizens, particularly our youngsters.

The future of this country is being decided out in our city streets, in our neighborhood playgrounds and in our schools. We must not become numb. The fight must continue and, as you can appreciate, we need more resources.

For the Criminal Division, we are requesting a program increase of approximately 8.7 percent, which represents an increase of $4,469,000 and 45 positions to combat organized crime, drugs, terrorism and procurement fraud.

And, more specifically, the Criminal Division will devote 24 positions and $2,312,000 to increasing organized crime prosecutions and addressing the recommendations of the President's Commission on Organized Crime.

The Commission, in its report, noted organized crime's increasing involvement in drug trafficking and the emergence of new organized criminal groups.

We are also requesting an increase of six positions and $708,000 for the Defense Department Procurement Fraud Unit. The unit was established to overcome the numerous problems that had been encountered in the investigation of important cases.

On July 24, 1986, Litton Systems, Incorporated, was sentenced, following a plea of guilty, to 320 counts of false claims and mail fraud. This case resulted in almost $16 million being paid back to the United States Government.

The additional six positions will allow us to intensify our efforts in this regard, not only in the well-publicized cases but in the many less well-known prosecutions.

In addition, 15 positions and $1,106,000 is being requested to provide legal advice to representatives and policy-makers responsible for responding to international terrorist incidents and other mat-

ters. As you know, the Criminal Division is very involved in the extradition of terrorists for trial in the United States.

Finally, resources totaling $343,000 are also sought for litigation support, travel and overtime in the Criminal Division's public integrity, narcotics, and internal security programs.

I would like now, with your permission, to turn to the civil side.

CIVIL DIVISION

For the Civil Division we are requesting an increase of approximately 15.9 percent, or $13,579,000 and 114 positions for the following programs:

34 positions and $2,331,000 for Federal Appellate;
20 positions and $3,953,000 for torts litigation;
29 positions and $4,492,000 for commercial litigation;
20 positions and $1,413,000 for Federal programs;
11 positions and $1,390,000 for immigration litigation.

The Division's appellate litigation program has experienced increases in workload of more than 80 percent over the past five years while staffing has remained constant. The requested increase of 34 positions and $2,331,000 will redress this imbalance and allow the Appellate staff to handle a greater share of this litigation.

Mr. Chairman, we are experiencing an explosion in the torts caseload which continues to strain our Civil Division's ability to defend the United States in cases where the Government's exposure, as we sit here talking, exceeds $125 billion.

We expect that in 1988, our success rate in defensive litigation will continue to exceed 98 percent. At this rate, we will suffer adverse judgments of less than $100 million compared to claims amounting to $5 billion. We seek 20 positions and $3,953,000 for the Civil Division's efforts to avoid or reduce the number and amount of tort judgments entered against the United States.

In order to defend Government programs adequately and to avoid unwarranted raids on our Treasury, we are asking for an additional 20 positions and $1,413,000 for Federal programs.

In the area of affirmative litigation, especially with respect to the enforcement of the laws against fraud, we are requesting 29 positions and $4,492,000 for the commercial litigation program.

Civil fraud has become a significant problem over the years. The Congress has addressed this growing problem by passing the False Claims Act of 1986, the Program Fraud Civil Remedies, and the Anti-Kickback Act of 1986.

Affirmative litigation returns six dollars for every one dollar invested. At this rate, recoveries in 1988 could reach $166 million at the base level and $193 million at our request level. The bottom line is that when the Government is the plaintiff, we recover 24 percent of the value of the claims that we make.

As you all know, the recently enacted Immigration Reform legislation will have a profound effect on our Nation and its citizens. While the Immigration and Naturalization Service is certainly the agency most affected by this legislation, the Department's litigating organizations will also be involved.

OFFICE OF SPECIAL COUNSEL

The Civil Division will require 11 additional positions and $1,390,000 to handle increases in litigation arising from this Act. The Act also calls for the establishment of an Office of Special Counsel to investigate charges of discrimination filed by private individuals. We are requesting an increase of 30 positions and $2,315,000 in 1988 to continue efforts initiated in 1987.

LAND AND NATURAL RESOURCES

We must also continue our efforts to maintain a clean and a safe environment for our people. This budget request includes an increase of approximately 24.6 percent, or $6,499,000 and 26 positions for the Land and Natural Resources Division to address the expected growth in caseload arising from amendments to the Resource Conservation and Recovery Act, the Safe Drinking Water Act, the Clean Air and Water Acts, and other activities.

Mr. Chairman, over the last five years, the Division has returned over four dollars for every dollar spent on environmental enforcement litigation. At this rate, recoveries in 1988 could exceed $23 million at the base level and $36 million at the request level. Incidentally, if we include Superfund litigation, the Division has returned over $19 for every dollar invested.

CIVIL RIGHTS DIVISION

I think we can be proud of this Administration's civil rights enforcement record. In the past six years we have brought more cases involving acts of racial violence than ever before in our history. More than twice as many klansmen have been arrested and convicted than in the previous Administration. We have obtained more convictions of members of other hate groups, and our success rate in the prosecution of criminal civil rights cases stands today at an all-time high of 82 percent.

In most areas of the country, the Klan and its splinter groups have been significantly weakened or entirely eliminated. In plain English, I think we have broken the back of the Ku Klux Klan, in large measure because of this effort. And there are many, many more criminal investigations underway.

Nor does our criminal enforcement record begin to tell the entire story. In every other area of our civil rights responsibility—housing, education, voting, employment, institutionalized persons—we have compiled an impressive record of accomplishment.

To vigorously continue our efforts, the Civil Rights Division seeks an increase of approximately 3.1 percent or an additional $800,000 to hire outside consultants. These consultants will perform a variety of analyses for the Division, the kind of analyses that are absolutely essential in developing complex statistical data bases, which we need in this kind of litigation.

ANTITRUST DIVISION

With regard to Antitrust, Mr. Chairman, we are requesting a reduction of approximately 4.4 percent or $2,109,000 and 100 positions.

The reduction reflects a realignment of policy and support functions and does not in any way diminish or change our underlying enforcement policy.

Specifically, the Department expects to continue the efforts of its primary enforcement activities, which include the vigorous prosecution of hard-core horizontal antitrust violations, such as price fixing, bid-rigging and market allocations among competitors. These are areas that we believe are the most essential among antitrust enforcement. Savings in resources are possible because of improved efficiency, better use of staff, and streamlined reporting, economic analysis, management and support functions.

TAX DIVISION

In the tax reform area, we must be prepared to handle the numerous suits contesting the technical provisions of the Act. An increase of 600 cases in the refund claims area is expected. We must also complement the increase of $622 million and over 5,000 work years that you have provided to the Internal Revenue Service (IRS) in 1987.

I also understand that the Administration is proposing an additional increase of $624 million and over 9,000 work years in 1988.

The IRS workload will generate litigation in the refund and appellate area, collection related area, and organized crime and drug enforcement areas. We must support the efforts of the IRS if we are to maintain the integrity of our voluntary tax system. To maintain the public trust in the integrity and fairness of our tax system, we request an increase of approximately 29.3 percent or $10,977,000 and 70 positions for the Tax Division.

UNITED STATES ATTORNEYS

As you well know, Mr. Chairman, the bulwark of our litigating force is out in the field in our 94 U.S. Attorneys offices. U.S. Attorneys are involved in every phase of an investigation. Our prosecutors are our first line of defense against organized crime, drug dealers, terrorists, white collar criminals and spies. They are also our chief civil litigators.

As I stated before, due to new legislation, we expect an explosion of civil litigation. To meet the added burden these responsibilities bring, we are requesting an increase of 7.3 percent or $28,124,000 and 542 positions. Resources are being requested in the following program areas:

417 positions and $21,439,000 to strengthen the prosecutorial posture in drug abuse and narcotics trafficking;

28 positions and $1,561,000 to support the President's Council on Integrity and Efficiency by expanding even further our efforts to prosecute Defense procurement fraud, Government program fraud, money laundering schemes, bankruptcy fraud, and bank fraud and embezzlement;

80 positions and $3,970,000 to generate additional revenue to the United States Government, using civil remedies, within the context of proceedings involving fraud and abuse of Government programs, drug forfeitures, bankruptcy, real estate foreclosures, and debt collection.

Based upon our recent experience with this concept, we expect to generate an additional $60 million in income annually by 1989, of which a significant portion will be cash. The U.S. Attorneys' cash collections are expected to reach $270 million in 1988.

OFFICE AUTOMATION IMPROVEMENTS

All of these enormous tasks, Mr. Chairman, require a substantial support structure. We have, over the years, examined many approaches to cost containment. Last year, Congress provided through the GLA Appropriation language, office automation funds for not only the Legal Divisions but the Antitrust Division and the U.S. Attorneys. With this language, the Congress appropriated $1,537,000 in 1987; however, the level of funding is not sufficient if we are to move many of these legal divisions ahead into the 21st Century and keep pace with the private sector. We cannot allow technological obsolescence to determine which cases we handle. The Department's litigating organizations will require an increase of $23,181,000 to invest in new technology.

CONSOLIDATION OF U.S. ATTORNEYS/ANTITRUST WITHIN GLA

In a continuing effort to look at cost containment, we are again this year proposing the consolidation of the Department's litigating organizations into a single appropriation. Merging the Antitrust Division and the U.S. Attorneys into the GLA appropriation, with all of our other litigating components, will allow us maximum flexibility in testing innovative methods of containing costs.

Our office automation approach, which you have already subscribed to, is but one example of what is possible if we are given the flexibility of maintaining our litigating organizations within the one appropriation.

It should be understood, and we understand it, that consolidating these accounts will provide great flexibility without usurping the Congress' legitimate program oversight prerogatives. Once these accounts are consolidated, any significant changes would fall within the well established reprogramming notification procedures which are applicable to the Department's appropriations.

Mr. Chairman, I have just highlighted our major program thrusts for 1988. Additional detail is provided in the more complete statement I have submitted for the record.

INTRODUCTION OF OTHER WITNESSES

At this point, I wish to note that I have with me Bill Weld, Assistant Attorney General in charge of our Criminal Division. I have Mr. Spears here today as Acting Assistant Attorney General of our Civil Division, in the absence of Richard Willard, who is out of town. Also with me is Mr. Rule, Acting Assistant Attorney General, of our Antitrust Division, and Hank Habicht, Assistant Attorney General in charge of our Lands Division. I have Roger Olsen, Assistant Attorney General in charge of our Tax Division here with us, and Jim Turner is here from the Civil Rights Division. I have Mike Roper and Bob Ford from our Management Division, and Larry McWhorter from our Executive Office for U.S. Attorneys

here, and probably all kinds of other support that I am not even aware of.

With that, we are at your disposal and prepared to answer questions.

LEGISLATIVE IMPACT

Mr. EARLY. Mr. Burns, I want to thank you for your statement. The statement almost frightens me with these tremendous increases—more and more and more. There is no more non-partisan politician in the Congress than myself, especially in dealing with Justice. This Committee has never been partisan and we would like to do the right thing. What scares me are these huge increases, especially when we both know that there is no way that we are going to resolve all the problems—we are just going to expand them.

You have got to expand upon what these new expenses are going to supplement or replace. I certainly also think that the Congress is partly to blame. It is almost pointless to say who to blame but the cost to the Justice Department to implement the Drug Bill, the Immigration Bill, the Tax Bill, the anti-fraud status and the Kick-Back Act of 1986. I want you to supply for the record an impact statement on the cost of implementing each one of those bills or any additional bills which Congress has thrust upon you. Also, with each of those particular bills, what the returns are. You suggest in three different places we are going to invest one and get four back. This Committee will be interested in the specifics.

Mr. BURNS. We will be very happy to provide that for you, Mr. Chairman. And may I comment on what you said? I can assure you that we approach this in exactly the same frame of mind, and with the same motivation.

[The information requested will be inserted at this point in the record:]

Legislative Impact Statement

Civil Division

The enactment of three anti-fraud statutes and immigration reform legislation will affect the work of the Civil Division substantially. With adequate resources to implement and defend these policies, sizable returns will be achieved.

The *False Claims Act Amendments of 1986* expands the ability of private citizens to initiate lawsuits on behalf of the United States and requires that initiating citizens provide the Civil Division with copies of material evidence. Division attorneys must review the allegations and supporting evidence and make decisions within 60 days as to whether the Government should take the case. The law authorizes the Attorney General to compel the production of records and take sworn testimony before deciding whether or not a suit is warranted. It specifically requires the establishment of a secured central records depository. In instances where the Department does not take the case, we are required by the Act to approve dismissals and settlements by initiating citizens. This requirement necessitates extensive monitoring on the part of the Civil Division.

The *Program Fraud Civil Remedies Act of 1986* authorizes an administrative procedure for handling small dollar frauds cases. It requires the Civil Division to determine whether we should litigate the case or authorize the referring agency to proceed administratively. This clearance procedure will create significant workload increases for the Division. In addition, we will litigate the anticipated constitutional challenges to the statute as well as appeals to agency decisions.

The *Anti-Kickback Enforcement Act of 1986* substantially expands coverage of the existing statute by covering <u>all</u> contracts between the United States and its prime contractors and by redefining 'kickback' to prohibit a broader range of activities. It also provides for increased damage and civil penalties. These changes will raise the potential number of Civil Division cases markedly.

These laws provide potent weapons to fight the government's war on fraud. Approval of the Civil Division's 1987 supplemental increase of 21 positions and $640,000 and the 1988 request for $350,000 will provide the requisite resources to support citizen-initiated law suits, litigate agency referrals and prosecute illegal kickbacks. The potential returns to these activities translate into millions of dollars in recoveries for the U.S. Treasury and a formidable deterrence against future fraud.

Enactment of the *Immigration Reform and Control Act of 1986* greatly expands both the scope and volume of the cases handled by the Civil Division. The 1987 increases provide resources necessary to handle the initial cases growing out of immigration reform -- the most prominent of which are class actions. These suits seek to undermine the core of immigration reform by challenging the new statute and INS' procedures. Three class actions have been filed already consuming substantial staff resources.

Rather than precipitating an immediate explosion of new cases, the effect of immigration reform is likely to be staggered over the next few years. This likelihood is primarily due to the fact that the new provisions will be implemented over time. The bulk of the employer sanctions litigation must await the "education" period stipulated by the Act as well as the time allowed for INS to target enforcement efforts. Similarly, the legalization provisions will be phased with respect to granting benefits. Except for the class actions, most judicial review under the Act must be proceeded by administrative processes.

The return to approving the Civil Division's request for 13 positions and $936,000 for 1987 and 13 positions and $1,546,000 in 1988 is the ability to uphold immigration reform. If we do not have the resources to defend these suits successfully, the viability of immigration reform is in serious jeopardy.

Tax Division

The passage of the Tax Reform Act of 1986 and the approval of 1987 resource increases for the Internal Revenue Service (IRS) to implement the Tax Shelter and General Revenue Initiatives will cause a considerable increase in the litigation caseload of Tax Division attorneys.

With the enactment of the Tax Reform Act of 1986 the Division anticipates a substantial increase in the number of legal suits filed by taxpayers contesting the technical provisions of the new law. Similarly, the provision defining interest on most tax deficiencies of individual taxpayers as "personal interest" and not fully deductible after 1986 will result in more taxpayers prepaying and deducting interest on prospective deficiencies. They will then file for a refund in the U.S. Court of Claims or the U.S. District Court where Tax Division attorneys must conduct the litigation.

Congressional approval of additional resources to the IRS under the 1987 Continuing Resolution will also directly impact the workload of the Tax Division. The IRS was authorized an additional 5,504 positions and $298 million for its enforcement efforts in 1987 to implement the Tax Shelter and General Revenue Compliance Initiatives. An additional 6,425 positions and $324 million for these initiatives are included in the President's 1988 budget request for the IRS. These resources will enable the IRS to reduce the present backlog of more than 400,000 Tax Shelter returns under examination and more than 35,000 tax shelter cases docketed in the Tax Court. The IRS estimates that as a result of its intensified enforcement and collection activities, a direct and comparable impact on the workload of the Tax Division will be felt, because more taxpayers will file suits contesting IRS determinations.

The Tax Division urgently needs additional resources in 1988 if it is to manage existing caseload and the new increased caseload generated by the enactment of new legislation. Of significance, Tax Division attorneys are currently litigating tax shelter cases involving $485.4 million. Any case lost by the Government results in the loss of substantial revenues for the Federal Treasury. If the Tax Division's resources continue to be overburdened and no additional relief is provided in 1988, Division attorneys will be unable to litigate these and other tax matters thoroughly and effectively and millions of dollars in potential revenue for the Federal Treasury will remain uncollected.

Land and Natural Resources Division

Recent Congressional action on a number of environmental statutes has and will continue to affect the Land and Natural Resources Division's budget requirements. Statutorily mandated and scheduled regulatory programs under the Safe Drinking Water Act, the Superfund Amendments and Reauthorization Act and the Clean Water Act will give rise to deadline lawsuits if timetables slip, and to petitions for review when the regulations are issued.

These and other environmental statutes invite litigation by providing new causes of action for citizen suits, against the Environmental Protection Agency for failure to perform non-discretionary duties, against other federal agencies for violations of the Act, and against non-federal parties. Successful defense of the Environmental Protection Agency's decisionmaking is crucial if agency personnel are to promulgate well-reasoned regulations to implement environmental protection programs while balancing the potentially billion dollar regulatory impact of these regulations.

Defense of other federal agencies is vital to protect federal revenues against unnecessary outlays. And even though the government will not necessarily be involved in citizen suits against non-federal parties, it may be necessary to participate in such litigation to guard against improper interpretation of these statutes.

Compliance with these statutes and regulations must be enhanced through affirmative litigation. Under the 1984 amendments to the Resource Conservation and Recovery Act, over 30 new regulatory programs and numerous deadlines which fall during 1987 and 1988 will generate hundreds of cases in 1988.

Similarly, the December 1987 ozone compliance deadline in the Clean Air Act, unless it is extended by legislation, may be missed by as many as 27 municipalities, leading to a number of complex enforcement cases. The second round of permits under the Clean Water Act will be issued in 1987, requiring significantly more expensive "Best Available Technology" treatment. Enforcement of this provision is critical to safeguarding the $40 billion investment made by the Federal Government through grants for publicly owned treatment works. This enforcement litigation generates significant returns both from penalties collected and from avoidance of future costs.

In the latter category, keeping existing waste disposal facilities in compliance with RCRA is the only way to prevent bigger and more expensive superfund-type programs in the future.

Other legislation passed by the 99th Congress will put demands on the Land and Natural Resources Division. The amendments to the Quiet Title Act which lift the statute of limitations for certain actions against the Federal Government allow lawsuits which would otherwise be foreclosed. Also, we expect that the way the Columbia River Gorge National Scenic Area was established may lead to inverse condemnation claims.

U.S. Attorneys

The U.S. Attorneys anticipate significant workload increases as a result of recent legislation. The new laws will have an impact on all three litigation programs, namely: Criminal Litigation; Civil Litigation; and Organized Crime Drug Enforcement (OCDE). Since the U.S. Attorneys serve an intermediary role in the Criminal Justice System, the exact nature of the impact of all pieces of legislation depends largely on the number of referrals from investigative agencies. It suffices to say, however, that increased resources given to investigative agencies will directly affect the workload of the government's prosecuting arm.

In the areas of Criminal Litigation and OCDE, there are two pieces of legislation that will affect our workload. The Anti-Drug Abuse Act of 1986 included provisions for mandatory minimum sentences. This should generate an increase in the number of prosecutions going to trial by removing the incentives defendants previously had to plead guilty in return for lighter sentences. The U.S. Attorneys also anticipate significant caseload increases related to forfeiture (both civil and criminal) because the Act makes it easier to identify those defendants' assets which are susceptible to forfeiture.

The Omnibus Drug Supplemental Act of 1987 established numerous initiatives to combat drug abuse and narcotics trafficking. Significant resources, including investigative personnel, were provided in this legislation. It is projected that significant increases in referrals will occur in 1988 and require litigation resources to handle the increased workload.

The U.S. Attorneys request of 373 positions, 279 full-time-equivalent workyears and $18,562,000 in the Criminal Litigation area, and 44 positions and $2,557,000 for OCDE represents our estimate of what is required to meet the goals set by Congress in its legislation.

Under the new Bank Fraud Statute provided in the Comprehensive Crime Control Act of 1984, it is anticipated that the number of bank fraud violations will increase greatly. This workload, combined with referrals involving defense procurement fraud resulting from the Defense Contract Audit Agency's addition of 200 plant-based auditors are major reasons for requesting an additional 25 positions and $1,561,000.

In the area of Civil Litigation, the U.S. Attorneys workload will be affected by several new pieces of legislation, including The False Claims Act Amendments of 1986, The Program Fraud Civil Remedies Act of 1986, and The Anti-Kickback Act of 1986. For instance, The Program Fraud Civil Remedies Act provides for the imposition of a civil penalty for the submission of a false statement unrelated to a claim for payment. The Anti-Kickback Act

broadens the scope of the original law, 41 U.S.C. Sect. 51 from applying to "cost-plus" contracts to all contracts, and applies now to all forms of payment to obtain favorable contract action.

As a result of the Tax Reform Act, the Tax Division estimates that approximately 10 percent or 230 additional civil trials (refund cases) and 5 percent additional civil appeals may potentially be referred to the U.S. Attorneys during 1988 due to enacting stricter penalties and the non-deductability of interest.

To undertake the increased workload mentioned above as well as combatting defense procurement fraud, medicare/ medicaid fraud, forfeitures, program fraud and bankruptoy litigation, we are requesting 80 additional positions and $3,970,000 for the Affirmative Civil Enforcement initiative. In return for this investment we project approximately $60 million in increased recoveries for the U.S. Government in the first full fiscal year after implementation. Our estimates are based on the recoveries from five U.S. Attorney offices including one which formed an Affirmative Civil Litigation Unit.

Mr. BURNS. Our process in the Department of Justice is very thorough. This budget was put together by the Departmental Resources Board, which I am privileged to chair. We are very much aware of this concern, growth, growth and more growth. So we have got to understand, placing it on the Congress and saying we have all of these additional responsibilities is not intended to be a facile answer. The fact is that the Congress has added these responsibilities to the Justice Department because these responsibilities are clearly important.

In a sense, in thinking about this budget and developing this budget, it occurred to me that we ought to change the name of the Justice Department to the Domestic Defense Department. Because we are charged with the responsibility of protecting the very sovereignty of this Nation, protecting our borders, and protecting our streets and schools. I gave you statistics in my testimony. We are charged with the responsibility of protecting our Treasury. Billions and billions of dollars of claims that hit us, and we are like retail storekeepers, we are not out there looking for those cases. They come in uninvited. With respect to our affirmative civil litigation——

NEW APPROACHES

Mr. EARLY. Mr. Burns, let me irritate some people, okay? I agree with most everything you said but we have to try new approaches. We cannot just say we cannot solve it.

Passage of the Tax Reform Act of 1986, I understand, will greatly impact on your researches in several divisions.

In the area of prisons, with implementation of the new Drug Bill that we passed—it is going to incarcerate a lot of people. The public does not want to let anyone out but, we have got to let out some people. You know we have got a prison population that is going to go from about 44,000 to 62,000 or 68,000; by 1993; that is a 20,000 increase. Optimal building construction and size is about 500 beds—that means 40 new prisons. We cannot do that. I think the Justice Department has to let more people out.

I have a couple more places, items I would like to address. U.S. Attorneys. They are building up their own track record. I have discussed this with the Attorney General before. You cannot have trials, where we have a hung jury that was 11 to 1. Before he walked out the U.S. Attorney said we are going to re-try him. They retried again and when it was hung up the second time the defense said, "It looks like it might be a hung jury." The U.S. Attorney said, "We will try him again." You cannot do that. The Justice Department has to tell these U.S. Attorneys that it can't be all their way. They just want to build up their own track record.

The area of new technology is where I think we should consider expanding some of our resources. When the Democrats were in charge, they did not make enough tough decisions in Justice. And you people have to make a lot of tough decisions as we, this Committee do. I know that on this committee, with Mr. Smith and Mr. Rogers, that we will make it non-partisan, but we will do the right thing. We are really looking to cooperate.

INCARCERATION VS. EARLY RELEASE

Mr. BURNS. I would like to address that and say that you and I could never irritate one another because we are approaching this problem with the same frame of mind. And we are going to address the problem.

On the subject of our prisons, on March 25th, I will be visiting the Marion maximum security Corrections Institution in Marion, Illinois, and I would invite you to come with me, and you and I will go up and down and we will select together the people we wish to let out.

Mr. EARLY. No, let us go to Massachusetts. [Laughter.]

Mr. BURNS. The problem, and we cannot sweep this one under the carpet—it just cannot be swept under the carpet—the people that we have incarcerated, by keeping them there, we are keeping our streets and our people, and my new grandson and your children——

Mr. EARLY. That is a political speech.

Mr. BURNS. You have got to see it with your own eyes.

Mr. EARLY. You are going to a tough maximum security prison. I agree that we should not be looking to let those people out. Are you familiar with what Florida just did? It is totally unpopular down there. When the prisons reach a certain capacity, Florida is going to let certain people out six months or 30 days early to prevent overcrowding. Justice has to look at these things.

Mr. BURNS. Let me tell you what we are looking at. You will see, as we experiment and as we address this problem, you will see experimentation with programs for letting people out of our prisons, and having them, in effect, under house arrest, electronically monitored.

PRIVATIZATION OF PRISONS

Mr. EARLY. And I think you will be criticized for that.

Mr. BURNS. We are, you know, attending to this. You will see continued experimentation with respect to the privatization of some of our prisons. But you have got to understand where we start from. We start from a situation where we have 41,500 inmates in our 47 Federal institutions, that were designed to house 28,000 people. That is where we are today.

So we are under the crunch. Talk about mixed messages, there is no doubt that this Administration believes that we have got to have greater resources for investigation, prosecution, conviction and incarceration.

Mr. EARLY. Those are all easy political subjects.

Mr. BURNS. No, what happens is we are getting the resources on the investigation end, on the prosecution end, but we have got to have a place to put these people.

So we are starting—from talking turkey—we are starting from behind the 8 ball. That is where we are today.

EARLY RELEASE

Mr. EARLY. When Mr. Guiliani was number 2 or number 3 man in the Justice Department, he talked about doing what I just suggested we have to do. I would absolutely be the first one to ac-

knowledge it is not going to solve the problem, but we have got to empty some beds. It is easy to fill the beds, and justify it to your constituency—as long as we are filling prisons, it is a great sell. But if you want to talk about what we have to do to face the deficit crisis, to face the over-crowding, and to face what is going to happen with implementation of the new drug bill—those are the decisions that are not too popular.

We have discussed house arrest for so long. For example, white collar crime—when you put the Haldeman's and the white collar criminals away, once that door slams in back of them, they have paid a big, big price. I do not think they are security risks or dangerus.

Mr. BURNS. That is why we have our minimum security prisons for them.

Mr. EARLY. We have got to make major changes. You keep asking for more and more people and money, and that is not the solution.

Mr. BURNS. You understand that we have an excellent system for sorting out these folks. Everytime you come down from a maximum security prison, the costs of keeping people become significantly reduced. There are also very significant costs contained in the design of prisons. In the design of prisons today, you will have a minimum need for personnel to guard them.

FEDERAL PRISONS-U.S. PAROLE COMMISSION

Mr. EARLY. In my opinion, the Federal Prison System is the best run Federal agency in the United States. The Parole Commission, although they will be abolished, is also a very constructive, and very productive Commission. So Congress changed the law and sunsetted them.

I want to stay within my ten minutes.

U.S. ATTORNEYS

Mr. BURNS. I would like to add just one thing, and that is the suggestion you made about the ego of United States Attorneys. I just want to tell you that the Attorney General and I are charged with responsibility of supervising these 93 people. And if they were not, each and every one of them, people with a healthy respect and a healthy self-image, they could not do the wonderful job that they do.

We just returned from our U.S. Attorneys Conference in Tucson, Arizona, a very meaningful shirt sleeve kind of exchange, exchanging our views, and I just want to say to you that this group has some of the finest men and women that could be put together.

Mr. EARLY. You sound like us. Everybody is great.

The number 2 guy in the Justice Department, Giuliani, he went to New York and he has done more as a U.S. Attorney than the other 93 did in 20 years. But we say they are all wonderful. They are not all wonderful.

Mr. BURNS. I just had to defend people like Giuliani and others like him against that charge.

Mr. EARLY. No, I am not charging. They have done a fine, fine job—but not as good as Giuliani. [Laughter.]

I have used my ten minutes. I will yield to Mr. Rogers.

OFFICE AUTOMATION

Mr. ROGERS. After that, I am tempted to yield back. [Laughter.]

General Burns, it is good to see you here again. I enjoyed your presentation as well as appreciating the facts that you gave us.

Let me say that I think it is about time to try to streamline and modernize this crusty old agency.

You marched into almost the 21st Century, and you are using 19th Century tools, and have been for years. I am amazed that your track record, your litigation track record is as good as it is, considering the fact that you are out-gunned. You have good manpower there, but they do not have good equipment.

You cannot beat an army armed with laser weapons if you are armed with bows and arrows, which you are at this moment.

So I am very interested in your initiative to streamline the agency and also equip it with the state of the art equipment.

I wonder if I could ask you to elaborate. You are asking for $23.1 million in automation equipment and the like. I wonder if you could give us a little bit of laymen's comparison between what your lawyers go into court equipped with and the lawyers who you are opposing, and especially how they are equipped mechanically.

Mr. BURNS. I just want to say that I have been in the Department of Justice for 14 months. Before that, I spent 33 years in the practice of law, practicing in a law firm which I built. And I just want to say, first of all, a new boy coming in with some pre-conceived notions and prejudices that we have developed in the private sector, that people I see litigating in the Department of Justice, with exceptions, weigh in at 120 pounds and whip big brutes out there in private practice. They are facing major law firms in major litigation, with state of the art, word processing equipment, record-keeping equipment, truck loads and truck loads, warehouses full of documents in some of the massive, massive cases. And, unless we want our folks to enter that race with a burlap bag tied around their legs and their hands tied behind their backs, they have got to have this equipment. One thing we want to achieve is to keep up with the state of the art equipment, and this technology keeps increasing, for our in-house litigators, and we want to bring our Department of Justice together so that we can communicate with our field lawyers, because our 94 offices, we have 93 U.S. Attorneys, have got to be in the same network.

That is how you avoid duplication of effort, re-inventing wheels time and time again. The opposite of that is to use the same research, the same briefs in the same kinds of cases around the country.

So what we intend is to unify our word processing and data processing equipment, and it is absolutely essential for the reasons that you pointed out, sir.

CONTRAST WITH PRIVATE FIRMS IN AUTOMATED SUPPORT

Mr. ROGERS. Let me ask you, to be a little more graphic than that. One of your lawyers goes into court in one of the civil cases, let us say. You are up against a high-powered law firm; with hun-

dreds of people as back-up and computer systems and data processing equipment, word processors and so on. One of your lawyers files a motion that he and his assistant or two or three others have researched for maybe a month or two. What happens to you. Tell me the other side of that coin? How is the real world out there in terms of keeping up with the craft?

Mr. BURNS. I have to tell you, in all candor, that from my own observations, that notwithstanding the disadvantages that we encounter, I have not yet seen a case where we have not been able to hold our own. The basic difference is, that if you track, and this may be of interest, if you track the work hours of people in our Civil Division, they are working around the clock, and they are putting in hours and hours and hours and hours, and that is where we are different. And, as a consequence, of course, we run out of manpower. We need to relieve our manpower with machinery, with equipment.

Mr. ROGERS. I guess what I was driving at, one of your lawyers files a hand-prepared motion, with customized research that has taken lots of time. Your competition comes into court with a computer-generated, word-processed motion or brief that is part of a data system centralized in Chicago, where the research has been ready made, and there is no human way you are going to keep up with that. I do not care how good you are or what kind of people you have, you cannot keep up with that kind of thing.

Mr. BURNS. That is the problem we want to solve.

Mr. ROGERS. Is that what you are asking for?

Mr. BURNS. That is the problem we want to solve.

Mr. ROGERS. And you are going to link them all up together so they can use the same research countrywide on the same issues, the same briefs, the same motions, the same responses?

Mr. BURNS. That is correct.

INCARCERATION POLICY

Mr. ROGERS. Back to the prisoners, let me just say to you, my good friend Mr. Early has given you one point of view. Let me just say to you that for every Member of Congress that represents that point of view, I suspect there are two or three, including myself, who represent the opposite point of view. And that is, for every professional criminal kept away from the society, society is that much better off. And, for the most part, our prisons, those beds, are occupied by not the first termers or the joy riders, so to speak, it is more or less the hardened criminal. They are there for the second or third time. And the savings to society by not having that theft occur, or that fraud occur, or that mugging or killing or whatever else it is, the savings there are more than the cost of keeping that criminal from performing those acts, not even mentioning the harm to individuals and families and generations of children in society in general.

So, I just want to encourage you that the answer to our problems is not opening up the prison doors. The answer is putting the proper criminals behind bars and keeping them there for the duration of what a jury found or a judge found; trying to rehabilitate

them, but releasing them only when their terms expire. And if it takes more prisons, it takes more prisons.

If you hold the view that we cannot put more prisoners in prison because we are out of room, irrespective of the crime they committed, or the danger they pose for society, then we would have stopped building prisons after the first one.

So the answer to our problem is not some magic formula that there are only 13,183 criminals in the U.S.A. at any given time and no more; therefore, that is all the beds we need.

PRISON POPULATION—DRUG RELATED

Mr. BURNS. Just to comment on that. There is no doubt that crime causes tremendous economic losses to society. Today we are approaching a situation where 37 percent of the people who are inmates in our penitentiaries are drug traffickers or drug-related offenders. And there is no doubt that the drug epidemic is a scourge on our country today, that costs our economy some $300 billion. That is just one small aspect of it. I think and I hope, and there are no guarantees and no crystal balls, but I hope that with increased investigation and prosecution and with education and tremendous efforts of prevention on the demand side of the question, we can finally shut that problem down and really cut it back. That is the way of solving the problem of prison space. Clean up our society, in the first place. People who transgress our laws, who are involved in this bloody path that leads from Colombia to Mexico to our Southwestern border, to Boston, Massachusetts and to Washington, D.C., and to our country, that path of death, corruption and economic impact on our society has got to stop.

Mr. ROGERS. Well, you are not going to stop it with putting those people under house arrest. You have got to make them pay a price, a bad price, where there is some form of deterrence where they think, okay, I am not going to get involved in this because I am afraid of what they will do to me. And if you make that revolving door to the prison house, you have answered that question.

Thank you, Mr. Chairman.

Mr. EARLY. Before I yield to Mr. Kolbe, I want to make one thing crystal clear, I am not suggesting you open the doors. I think you have to take the least offensive, the ones that are the least threat to society out to free up prison space.

Mr. ROGERS. I understood that, sir.

Mr. EARLY. One other thing, did you say 37 percent of our Federal——

Mr. ROGERS. Drug or drug-related.

Mr. EARLY. That seems awfully high, but it is very interesting. Mr. Kolbe?

FEDERAL CORRECTIONS RESPONSIBILITY

Mr. KOLBE. Thank you, Mr. Chairman.

General, I appreciate your being here.

Let me ask you a few questions. I am really following up on some of the things I have just heard. With regard to prisons, I think, regardless of what our philosophy is, we are passing the laws, and we are creating the laws that say these are criminal activities and we

provide the sentences for that and say they should go to prison. I think we have got a responsibility to provide the prisons as long as we do that. If we think it is not correct, we ought to change the laws, and make it clear to you that that is not the policy that we want to adhere to.

In your testimony you say you have 41,500 inmates in the 28,000 spaces. What is the rate that that 41,500 is growing?

Mr. BURNS. I will provide that for you.

PRISON POPULATION GROWTH

Mr. KOLBE. Do you know what the increase is over, say, five years ago?

Mr. ROPER. My name is Michael Roper, the Deputy Comptroller for Budget. When this Administration began, the population was about 23,000. Today it is closer to 42,000.

Mr. KOLBE. From 23,000 to 42,000 since 1981, almost double.

Mr. BURNS. In 1990, we estimate 67,000. Does that help you?

Mr. KOLBE. Yes. With 28,000 spaces, we are not keeping up, are we? What is in our budget for building?

Mr. BURNS. In our budget for 1987, let me see if I can find it.

Mr. EARLY. Mr. Kolbe, will you yield?

Mr. KOLBE. Yes.

Mr. EARLY. I apologize. I shifted over to some other things earlier. The Federal Prison System will testify here next Tuesday. I apologize.

Mr. KOLBE. My apologies also.

PRISON CONSTRUCTION

Mr. BURNS. Let me just put this in the record. It will take a second. In 1988, we will begin construction on 2,400 additional beds in the Federal Prison System.

With the new sentencing guidelines, I just wanted to say the problem is going to get worse.

RETURN ON JUSTICE INVESTMENTS

Mr. KOLBE. You said something about the return we get, the amount of recovery in fines and civil penalties on say the Drinking Water Act, environmental legislation, for each dollar invested. When you describe the dollar return for dollar invested, you are referring only to the investment in the Justice Department?

Mr. BURNS. Yes, sir.

Mr. KOLBE. I think it is important to keep that in mind. It is like a Clerk in the Court who says, "Look, my salary is only $60,000; look at all the checks I collect each year." That really does not describe the cost, because there really is a larger cost.

Mr. BURNS. There is no question about it, but I am here as the collector. As long as you tell me to do that job, I want to be in a position to say that as we get the resources, that aspect of this thing will yield a profit to the Federal Treasury.

ANTITRUST REDUCTION

Mr. KOLBE. I need some clarification of your comments, more particularly your comments on antitrust. You refer to a reduction

of 4.4 percent, 100 positions, which you say reflects a realignment of support functions, not a diminution or change in your enforcement policy. Would you describe a little bit more what you are referring to?

Mr. BURNS. I will tell you just a couple of things and then I will ask our Acting Assistant Attorney General, Antitrust Division to give us some further details.

Well, number one, we have got our merger guidelines out, and I think there has been a greater degree of precision and understanding among the members of the Bar as to what this is all about with respect to antitrust. And I think, as a consequence, with lawyers understanding what the rules are, we are able to deal with these cases more effectively.

Number two, we have made some gains with respect to the kind of automation that we were speaking of. And that is very helpful. When I was in private practice, everytime someone came to sell me data processing equipment, they told me how much money I would save, how many people I would save and, invariably, I wound up hiring more and more people. This is a case where we are actually seeing some savings.

Mr. RULE. I think both of those points are important. We have a down side in the Antitrust Division over the last six years. Part of that has been made possible by putting out guidelines. People understand what the rules are in the merger game. The number of mergers has gone up but people know what areas to stay away from. Our people are better able to deal with mergers much more quickly and identify those with trouble, and focus in on the various problem areas as a result of our experience with the guidelines.

In the criminal area, again that is where we have focused and I think we have witnessed the greatest returns for our investment. In the last six or seven years, we have had unprecedented success in the criminal enforcement area. When we came in, there were 51 grand juries; today there are 137 grand juries. We are on an incline in terms of the number of indictments we have been able to hand down.

Our people are becoming more familiar I think with prosecuting criminal cases, better able to investigate matters. They are using other things than the grand jury to develop these cases, which has enabled us to do it at a lower cost.

Overall, that as well as automation and being able to centralize some of our research functions, and share some of our information, not only in Washington but in our various field offices, has made us much more efficient prosecutors. And we view that role as being very important, and we want to increase our activity in those areas, not decrease it, but we think we can do it with less resources.

ADMINISTRATION'S ANTITRUST POLICY

Mr. KOLBE. Would you describe for me what this Administration's antitrust philosophy or policy is?

Mr. RULE. I think it is the recognition of the importance of continuing a competitive economy which is free from public and private restraints; one that enforces the law as it has evolved over the

last 15 years; and that is a recognition that what the law has to protect is the consumer from higher prices and not competitors from increased competition. And a recognition that at times in the past antitrust forays have caused more problems than they solved in misguided attempts to improve competition.

We have focused in on those areas that protect consumers. We have focused our effort there.

Mr. KOLBE. Give me an example of where you are focusing in on that, where you say you are protecting consumers, because—I certainly agree with that statement. If antitrust philosophy works at all it ought to be protecting consumers not protecting companies from competition. Give me an example of where you are focusing in on that.

BID RIGGING

Mr. RULE. The areas that we view as most important are, and I will give you one example, bid-rigging. The Federal Government is, in many instances, a consumer, obviously, with the money you appropriate up here. We have witnessed contractors getting together and deciding who is going to get a bid, and agreeing not to compete with one another. The effect of competition is to drive down the prices to the government and enable us to use our tax dollars to buy more. And we have witnessed this in Federal Government Procurement and at the State and local level. We have taken vigorous action to follow up those leads and go after those bidders and stick them in jail, so that the United States receives full value for the dollars it spends. We have got something like 30 grand juries I think right now looking at federal government procurement and the various aspects of it.

Other examples might be when competitors get together on soft drinks, where bottlers in a local town get together and decide we are not going to discount to retailers this week, because they are competing a little too much. So they agree not to provide a discount to retailers and as a result soft drinks are priced higher than they would be if competition was allowed.

Mr. KOLBE. I agree with what you are saying. Taking bid-rigging as an example, to the extent that competition is reduced, the easier it is to rig bids? The less competition there is, it is easier for the few that are left to get together to do it.

Mr. RULE. Sure. Our experience has been, again, generally, we do not engage in, we are not the ones who make the decisions, we participate with the Department of Defense and others. When we bring a case, that by no means indicates that the companies will not be there to compete again. Hopefully, they have learned their lesson. They have paid the price up to a million dollars per count, and they can go back out and be responsible people who do not engage in bid-rigging. So, the fact we are putting these people in jail and fining companies does not mean we are necessarily reducing the number of competitors.

And I think, if you look, for example, at local and State levels, after we have gone through and prosecuted a number of these cases, the bids that have come in to various States have been substantially lower than they were before. And those States and local-

ities and the federal government also benefit from our prosecutions.

EXPLOSION OF LITIGATION

Mr. KOLBE. Thank you. The last question, General Burns, throughout the statement here, with the exception of antitrust, you refer to increases in a whole variety of things. Let us leave aside criminal proceedings for a moment. In the tax area, in environmental litigation, all of these areas we are seeing tremendous increases, substantial increases here. I guess you are hearing bias from a non-attorney here. Is that a result of Congress and the actions that we have taken, or is it just something that is happening that is a never ending process of increasing litigation?

Mr. BURNS. I think it is a combination of both and they are different phenomenon. Congress is addressing some very serious problems and they have made decisions that these problems have to be addressed, and there will be new rules of the road. They have got to deal with it. There are new responsibilities placed on us. That is one aspect of it. We have got to do it. We are not going to default.

With respect to the litigation explosion in this country, it is horrendous. The Department of Justice has taken the lead in going around the Nation and speaking to Bar associations, speaking to plaintiffs' lawyers. I have given speeches on the subject of plaintiffs' lawyers——

Mr. KOLBE. You got out of line?

Mr. BURNS. Well, a little tar here and there. But the point of the matter is that our courts are overburdened. This is the most litigious society in the history of the world. And what compounds the problem is that our legislators around the country continue to provide additional rights of action, and where they do not do so, courts can imply rights of action. And our tort judgments are going completely off the charts. And it is frightening and it is something that has got to be addressed, and there are actions among the States to try to do it. But this is, indeed, a very litigious society.

I just want to say that I view my role in coming and appearing before you as not a role of going through the timeless or repetitive motion of laying this before you, and coming in with a green eye shade. My role here is to try and explain to you that this is not just an accounting exercise. We need these resources.

This is not a game where we ask for more and settle for less, which is a page you take out of the book of the litigation game. We come here in all sincerity and, as you said, sir, it is not a partisan game. We need these resources to do the job.

I think that with respect to the monies we ask for, the United States taxpayer is going to get a bang for his buck. He is going to get full value.

I also want to say there is room for improvement, and we are continually trying to do that; to improve the process; to improve procedure; improve the way we handle something that matters. We are very, very much aware of it.

I want you to also understand that when our components come before the Departmental Resources Board, we are tough. It is a tough, tough grilling. We are trying to pare this to the bone. The

resources we ask for, we need. We will put them to good use. We will bring home the bacon.

And thank you very much, all of you, for your attention and the cooperative spirit with which we work.

Thank you.

Mr. KOLBE. That completes my questions. Thank you, Mr. Chairman.

Mr. EARLY. Mr. Burns, we know you have some other divisions here. You have brought all of your high powered, underpaid——

Mr. BURNS. Let us not go too far now.

Mr. EARLY. I think your real role is to delegate authority. We will ask the people who are responsible for the U.S. Attorneys and Antitrust Divisions, a few specific questions. So you are excused.

U.S. ATTORNEY'S REQUEST

With regard to the United States Attorneys, the request is for 373 positions—$18,562,000 for drug enforcement. How many positions did you receive in 1987, and why do you believe you will require this many more in 1988?

Mr. MCWHORTER. Yesterday, several U.S. Attorneys testified with me before the House Authorization Subcommittee.

In Fiscal 1987, this year, the Operation Alliance in the Southwest Border initiative against drugs, the United States Attorneys had approximately 90 positions, 60 Assistant U.S. Attorneys and 30 support, about $6 million for drugs.

The drug war is exploding. The Anti-Drug Abuse Act provided a lot of tools for prosecutors. There were significant investments in the investigative agencies that will produce arrests that U.S. Attorneys will have to prosecute.

Our need for prosecutors for the drug law is basically to respond to the increased number of arrests that will be generated by the new equipment in the Customs Service, the Drug Enforcement Administration, the FBI and the Immigration Service. The number of new border patrol agents on the Southwest Border particularly are expected to produce a number of new arrestees that U.S. Attorneys will have to deal with.

FEDERAL DRUG PROBLEM

Mr. EARLY. Excuse me, Mr. McWhorter. I would like to ask Mr. Weld a question about drugs in Massachusetts.

The Police Chief in our largest city, whom I think you probably know, Tommy Leahy, told me that they cannot do anything without DEA, FBI, and the other federal people that have got all the money and resources. Would increased personnel in this offset some of the problems. What I am really asking is if the Federal Drug Program and money is going back to the States? Or will the Federal area be absolved of what has to be done in the States?

Mr. WELD. Mr. Chairman, if I may, the reports about cuts in the drug area I do not think are on the enforcement side of the house. I tend to agree with Chief Leahy that there are things the Feds can do in the drug area that are much harder for local law enforcement to do. One of the reasons for that is the Federal Electronics Surveillance law, which, as you know, is considerably more liberal,

permissive than State laws. In other words, just having the far flung system of agents around the country, you can go after the trafficking organizations that are international or national in scope more easily.

I think the 1988 request for the United States Attorneys contains a number of positions all around the country. My horseback guess is that maybe 40, 50, maybe even 60 percent of those positions might wind up participating in narcotics enforcement. That was the number one law enforcement priority of 91 out of the 93 U.S. Attorneys who were polled, who had filed their own District Plans back in 1981 and 1982. So it really is number one. I am really invading Mr. McWhorter's sphere here. But I think the 1988 request for the U.S. Attorneys, including the increases that you are giving them, will be applied very directly back in the drug area, and that goes well beyond the designated resources for Operation Alliance in our Southwest. The distribution of resources will vary all around the country, and Mr. McWhorter can correct my horseback guess on the percentage, but the biggest single item that those resources would address will be narcotics.

Mr. EARLY. Mr. McWhorter, would the additional money help to supplement things that will not be going back to the locals, in your opinion?

Mr. MCWHORTER. The U.S. Attorneys work very closely with the locals too, primarily through the law enforcement coordinating committees, which the Attorney General has directed each of them to form. And they seek to coordinate prosecutions in the local district, and eliminate waste and duplication of effort and work together cooperatively.

The United States Attorney and the U.S. Government is particularly well-suited to address large organizations. The local sheriffs and police do not have the long arm and the reach that the Federal prosecutor and the Federal investigators have. The major trafficking organizations that are international in scope are within the reach of the U.S. Attorney almost exclusively, but not within the capability of most local law enforcement agencies.

ENHANCED SECURITY FOR U.S. ATTORNEYS

Mr. EARLY. I agree with that, Mr. McWhorter. Again we get back to egos of local U.S. District Attorneys and U.S. Attorneys. I want them to play their role and cooperate. I think you have to be selective.

On one of these items—only a $500,000 item for security for U.S. Attorney offices. First of all, $500,000 cannot do too much. Why that amount?

Mr. MCWHORTER. Well, sir, the security needs of the U.S. Attorneys, both physically and for personal protection, are increasing. We are experiencing a number of new threats from organized crime, and particularly from the drug trafficking organizations, international in scope. This amount of money we are asking for is to address some of the problems that have been identified in surveys by the Security Office in the Department, to better physically protect U.S. Attorneys.

We did not ask for everything that would be possible, but this is a step in the right direction.

CIVIL LITIGATION

Mr. EARLY. For the record, on civil litigation, Mr. McWhorter, you are requesting 80 positions and $2,970,000 for the civil litigation programs in 1988 in order, you claim, to maximize recovery of money by the U.S. Government. I want, for the record, an estimate of the additional recovery these provisions will provide.

Mr. MCWHORTER. Yes, sir.

Mr. EARLY. And also for the record, in your budget justifications, you request increases based on projected workload increases.

For each of these workload displays, please provide the actual experience to date of Fiscal Year 1987, and explain whether you believe you will still achieve the Fiscal Year 1987 projections that you estimate in your request.

With that I am going to yield to Mr. Rogers.

U.S. ATTORNEY'S AUTOMATION

Mr. ROGERS. Briefly, I wonder if you could describe for us the situation with U.S. Attorneys, as to whether or not they are outgunned, in terms of equipment, and information in the modern world.

Mr. MCWHORTER. Well, sir, in 1981 there were U.S. Attorneys offices in the country that did not have word-processing equipment. Every U.S. Attorneys office now has word-processing programs. We are seeking to procure additional equipment with the Criminal and Tax Divisions. At the present time, we have a procurement effort underway to enable U.S. Attorneys to communicate with each other and with the Department, so that we can share the research information that is available in one place. We do not presently have that capability easily.

Mr. ROGERS. How will that translate in the courtrooms? I am trying to get somebody to tell me the courtroom experience. I have heard it privately, but let us get it in the record. Would you tell me the problem you are up against in the courtroom without the equipment.

Mr. MCWHORTER. In the courtroom, the Assistant U.S. Attorneys are often asked by the judge to respond to a particular position, and to provide research or an opinion or argument on a particular point. And, frequently, within a very short recess, the Assistant U.S. Attorney has to go back and do legal research and come back and argue in the courtroom. This effort will enable each Assistant——

Mr. ROGERS. Stop right there. What does the other side do in that respect, compared to what you are equipped to do?

Mr. MCWHORTER. The other side is the one that files most of the motions that the Government has to respond to. They have the luxury usually of being ready when they come in there. They know many times what the motion is going to be, and the U.S. Attorneys have to respond to reams of paper in particular kinds of cases. And high paid and talented lawyers with a lot of paralegal support in the courtroom and in the office.

LEGAL ACTIVITIES OFFICE AUTOMATION

Mr. ROGERS. Well, you are staggering at it.

My understanding is that you go to court, and you will be faced with a motion that thick, with back-up material that thick, generated off of a word processor, a computer data system, and you have to respond to it like that. You go out and you say, "Judge, give me 24 hours" or "give me 7 days", what have you, and you spend those 7 days and you finally struggle through the research with two or three assistants and you come up with an answer and you go back into court. And there is another motion that thick that has been generated by the computers, in a matter of minutes or hours. Is that not the situation in the courtroom these days with the modern machinery that the opposition has in your cases?

Mr. MCWHORTER. It is in some instances. Perhaps Mr. Weld can provide a better answer.

Mr. ROGERS. Please, I am looking for a graphic description.

Mr. WELD. Mr. Congressman, I think the picture you painted is an accurate one in major cases. The advantage of preparation shifts at various stages of the case. In the indictment phase, it is the Government that has the benefit of lengthy preparation and the defendant does not control the timing. So a great deal of work has gone into the case, from the Government's point of view, before the defendant is formally brought to the bar of justice. But once that case is filed, the major white collar case, for example, or even narcotics cases, certainly organized crime cases, the defense team is often five or six lawyers, the top firms, as you suggest, who are very well equipped with the latest in technology. Everything has been researched down to the ground.

It is not uncommon to have a 40-page brief in support of a motion to dismiss an indictment filed several times a week, different motions. And the Assistant U.S. Attorney, or the prosecutorial team which may number two or three attorneys in a very large case, has to respond to these motions as well as to prepare witnesses together with the investigative agents for the next day's trial session. Without technological assistance he or she will be ill-equipped to respond to the motion which may call for action by the judge before court convenes the next day.

The attraction of hooking up the 93 U.S. Attorneys offices to the system that is being established for the Criminal and Tax Divisions is that then you could have a support function exercised partially out of main Justice. If it is a motion that has been litigated 15 minutes ago in the Seventh Circuit, the person in main Justice is going to know that, and if they can transmit electronically or by typing into an automated system the proper response, then the availability of such a system will enable the Assistant U.S. Attorney to prepare his witnesses for the next day. So that is the advantage I see.

AUTONOMY OF LOCAL U.S. ATTORNEYS

Mr. ROGERS. What is that going to do to the local autonomy of the local U.S. Attorney? Is he going to become a McDonald's outlet?

Mr. WELD. We worried about that, Mr. Congressman, a little bit last year when I was Chairman of the U.S. Attorneys Committee.

We were a little nervous about having this direct electronic communication. But the more we thought about it, the more we thought the answer is if you are a U.S. Attorney and you do not like what you are getting from Main Justice, you just turn off the machine. The U.S. Attorneys really do have a great deal of autonomy.

Mr. ROGERS. Well, you are not expecting that U.S. Attorney to get by with that, are you? If he turns you off, you are not going to be too happy about it.

Mr. WELD. If I am a U.S. Attorney and I am in court and someone in Main Justice wants to send me a 90-page brief on why this new motion should not lie, it is not very likely I am going to turn off my machine, but that bureaucrat in Washington is not going to be able to make me file a brief I do not want to file. Certainly the philosophy of Mr. Jensen, Mr. Trott and myself in the Criminal Division has been that it would be a cold day in July before we would tell a U.S. Attorney, or purport to tell a U.S. Attorney to do something in court the U.S. Attorney did not want to do or thought was unwarranted.

Mr. ROGERS. He is going to want to please the higher ups. So is he not going to feel compelled, everything else being even, to do what Main Justice recommends or feels?

Mr. WELD. I suppose I would say that is a possible danger, Mr. Congressman. It is one we discussed last year. We first discussed this I believe in January or February of 1986. That did come up and we kicked it around. I think part of the reason we think this is a survivable danger, the whole attitude of the Department of Justice is away from that type of Washington control.

Mr. ROGERS. I just wanted to bring that up just to let us be mindful that with the new technology which is needed in order to fight the opposition who is so armed, that there is that other side of the coin. We could turn the U.S. Attorneys into local outlets for the Washington line, and take away his entrepreneurship in fighting a case.

Thank you, Mr. Chairman.

OPERATION ALLIANCE

Mr. EARLY. Mr. Kolbe?

Mr. KOLBE. Thank you, Mr. Chairman. I want to ask a couple of questions on Operation Alliance. You referred to the fact there are 90 positions. Are those yet filled or are those 90 positions you are requesting?

Mr. MCWHORTER. They were authorized.

Mr. KOLBE. They were authorized in 1987.

Mr. MCWHORTER. They have all been allocated to six districts along the Southwest border, and they were funded for approximately nine months. They are in the process of being filled.

Mr. KOLBE. Could you supply for the record where those allocations are, and which ones are on board at this time? It helps the Committee to know that. Does the 1988 budget request other additional positions for this project?

[The information requested follows:]

ALLOCATION OF ATTORNEY POSITIONS

The six districts receiving Operation Alliance position allocations, and the status of the allocations as of March 16, 1987, are as follows:

District	Attorneys			Support		
	Allocated	Filled	Committed	Allocated	Filled	Committed
Arizona	11	0	10	6	0	1
California, Central	5	0	0	2	0	0
California, Southern	13	7	3	6	6	0
New Mexico	5	1	2	2	0	0
Texas, Western	13	1	6	7	0	1
Texas, Southern	13	0	7	7	0	7
Total	60	9	28	30	6	9

Mr. MCWHORTER. 1988 narcotics enhancement requests positions of general narcotics enhancement and for the organized crime and drug enforcement task force, some of which may go to the Southwest Border.

Mr. KOLBE. One of the interesting aspects of this project to me is the coordination efforts between Customs, U.S. Attorneys, local law enforcement, DEA, et cetera, et cetera. One of the things that struck me the most forcefully in the years that I was in the Arizona State Legislature and Chairman of the Judiciary Committee there was the incredible diversity and sometimes lack of coordination among our law enforcement agencies. And there at the local level, obviously, we were interested in coordination with the Federal Government.

In your view, is this project working in the sense that it is providing that kind of coordination?

Mr. MCWHORTER. I think coordination is in place and it is becoming more effective. Obviously, the operation is building up, and personnel are added to, and the structures are put in place.

The Attorney General met with representatives of all of the management structure of Operation Alliance in Tucson several weeks ago to ensure that it included representatives of local law enforcement, sheriffs and local prosecutors as well, to ensure that the effort is being coordinated properly and that it is going to do its job.

Mr. KOLBE. Easy to say but harder, of course, to put into practice. Is there an answer to how we avoid the concern about turf and protection of ones own turf. You are dealing with people in a lot of cases who are local, elected law enforcement officials. They have a need to protect themselves. I have been continually discouraged at our ability to get over parochial interest and turf fights. I was just interested in your observations whether or not this operation is succeeding in doing that, or whether there is something we need to do in order to avoid the conflicts.

Mr. MCWHORTER. I think this operation is succeeding, and that it will continue to do so. The U.S. Attorneys in the last several years have had a lot of experience with law enforcement cooperation, through their committees primarily, and it has been remarkable the successes of the operation in just communications that have been achieved throughout the country. I think in my experience in

the Department, the cooperation between State, local and Federal officials is as great as it has ever been. I think it is going to continue at the Southwest Border.

FEDERAL, STATE AND LOCAL COOPERATION

Mr. KOLBE. What do you attribute that better cooperation to? Is there some mechanism that we have put in place administratively, statutorily, or is it simply a change in attitude?

Mr. MCWHORTER. In the Department of Justice it is a change in attitude, I think. The Attorney General expects each U.S. Attorney to cooperate with his State or local counterpart. I think statutorily, the asset forfeiture sharing provisions that were enacted by the Congress is convincing local and State law enforcement agencies that they can benefit financially from cooperation. I think that is a positive step.

Mr. KOLBE. Thank you. Mr. Chairman, I am sure I can think of other questions. I am worried about the state of U.S. law enforcement in this country with all of these attorneys sitting in this room, so I think I will let them get back to work.

Thank you, Mr. Chairman.

Mr. EARLY. Mr. Kolbe, I could not agree with you more. This is one of the few times right now with two non-attorneys, we could really serve——

Mr. KOLBE. If you have a motion, Mr. Chairman, I am ready to second it.

ANTITRUST DIVISION REQUEST

Mr. EARLY. Mr. McWhorter, I want to thank you.

Next we are going to hear from the Antitrust Division. Mr. Burns made a statement that covered all of their activities. But your agency is requesting a four percent reduction. My question, that I will insert in the record, because I have reservations about across the board cuts and personally do not think it is the way to do anything, is how you budgeted for most of your reductions that way?

Your name is?

Mr. RULE. Rick Rule.

Mr. EARLY. How come you are the only one in the Department that got cut? Everybody else gets more. You are not a Democrat, are you? [Laughter.]

Mr. RULE. No, I am a Republican. We looked very, very carefully at what we were doing. We felt we could maintain our law enforcement activities, and improve them with cuts. We also felt there are some areas, for example, we have a project where we intervene in private actions to promote the law. We are probably going to cut that back a little bit.

We have a competition advocacy program, where we get involved in regulatory proceedings. We are talking about cutting that a little bit. And we are also talking about cutting some of our general analysis.

We are cutting in some areas.

Mr. EARLY. You did not get any new additional responsibilities from new legislation?

Mr. RULE. We did not get any.

Mr. EARLY. I will yield.

Mr. ROGERS. I have no further questions, Mr. Chairman.

Mr. EARLY. Mr. Kolbe got into a discussion with Mr. Burns on antitrust enoforcement. We just want to make sure that you will at least have the tools to do what you have to do.

Mr. RULE. We believe we do, and if there is ever a question of that, as I said before in the authorization hearings, we will go back to the Attorney General and let him know that we do not have the resources to do our job.

[The questions for the record and the answers submitted thereto, follow:]

QUESTIONS FROM MR. EARLY

GENERAL LEGAL ACTIVITIES

Automated Litigation Support

Question:

Throughout these activities, you are requesting increases for Automated Litigation Support. Please describe the need for this support.

Answer:

Civil Division - The Civil Division is requesting an increase of $5,388,000 for Automated Litigation Support (ALS) services in 1988 as follows:

$2,141,000 of the Civil Division's 1988 request is required to defend the mammoth asbestos litigation where the U.S. Treasury is exposed to losses exceeding $35 billion. With the most crucial trials approaching, this funding is critical to complete the processing of nearly 300 million pages of evidentiary documents and to provide adequate trial support.

$1,900,000 is required for the Washington Public Power Supply System (WPPSS) litigation, in which the Government is defending against $7.4 billion in claims. Effective defense depends on our ability to retrieve evidentiary information from a 240 million page document collection which has been growing by 1,000 pages of depositions each day.

$533,000 is required to provide the ALS tools essential to defend the large number of cases arising from the recently passed *Immigration Reform and Control Act of 1986*. By 1988 an additional 748 new trial and appellate cases are expected. ALS funding is needed to develop special data bases to track individual litigants and members of class action suits during the various stages of litigation. A document center is also needed to organize documents and support the attorneys in preparing for the large number of expected trials and appeals.

$814,000 is required to support the Government's war on fraud. Part of this increase is necessary to comply with the stringent record keeping requirements of the recently passed *False Claims Reform Act of 1986*. Funds will be used to establish a central, secure records depository, as required by this law. Additional ALS funding is needed to support a growing number of civil fraud cases where success is dependent upon the ability to pinpoint pieces of evidence.

Land and Natural Resources Division - Automated Litigation Support is used primarily in two areas of Land and Natural Resources Division litigation, hazardous waste cases and Indian claims/land management cases. Of the $4.8 million increase requested for automated litigation support, over $3 million will be used for two linked

cases: U.S. v. Shell Oil Co. and Colorado v. U.S. and Shell Oil Co. Over the last four decades, Army operations and Shell pesticide manufacturing have caused extensive contamination at the Rocky Mountain Arsenal in Colorado, and preliminary estimates suggest that $2 billion may be needed for the clean-up effort. During the discovery and pre-trial phase of this case, the Army has provided reimbursable funding for automated litigation support in order to review, organize and manage the massive documentary and other case materials in a manner useful to the Division's attorneys. However, as the case moves closer to and into trial, the Department of Justice properly must assume litigation support expenses.

The remaining funds are sought for support of over a dozen Indian claims cases; for preparation of on-line legislative histories of key environmental and land management statutes; for hazardous waste cases involving both Federal and non-Federal parties; and for selected environmental crimes cases and grand jury investigations.

Tax Division - The Tax Division's 1988 budget requests $1 million for the Federal Appellate Activity and $2 million for Civil Tax Litigation in automated litigation support. Automated litigation support funding allows Tax Division attorneys to compete on a more equal footing with the large opposing automated law firms the Division often encounters. The reasons for the current urgency for automated litigation support in the 1988 request are the trend toward more complex cases with voluminous amounts of documentation and anticipated workload increases resulting from Internal Revenue Service (I.R.S.) Revenue and Tax Shelter Initiatives supported by Congress in the 1987 Treasury Department Appropriations Act and the Administration in I.R.S.'s 1988 Budget Request.

The Tax Division has, in the last few years, experienced a significant increase in the number of large and complex cases that contest a variety of tax issues in the U.S. Claims Court and U.S. District Courts. For example, we have found that litigation involving efforts to enjoin abusive tax shelters, as well as civil penalty and substantive controversies arising out of tax shelter schemes, are often extremely data intensive and technically complex. Such cases frequently involve extensive discovery, including the taking of a large number of depositions, and the review and analysis of thousands of pages of documents. It is essential to devise ways of assisting our attorneys in controlling and accessing the vast amounts of information in these cases, and it has recently become apparent that these information demands could, to a large extent, be alleviated through greater availability of automated litigation support.

The need for this automation capability cannot be understated in the complex tax shelter cases we encounter. The United States is either seeking essentially to put promoters out of business or to sustain substantial penalties which many times run into the millions of dollars and may well have the effect of closing down someone's business. As a consequence, we can expect vigorous resistance to our efforts to enjoin tax shelter schemes or to sustain penalty

assessments involving them. Therefore, instituting and defending these suits cannot be undertaken lightly, especially since the Government, in both instances, bears the burden of proof. Moreover, many times tax shelter promoters have segregated hundreds of thousands of dollars to be used to defend against anticipated Government action. These litigation "war chests" allow promoters to retain large law firms that more often have access to computer litigation support and a host of paralegals and other support personnel.

Question:

Will the presence of this Automated Litigation Support result in some staff reductions since it will free up personnel from time consuming, manual work? If so, how many personnel can be reduced and when?

Answer:

ALS is not a substitute for lawyers needed to litigate the Department's growing caseload. We have found that the only successful way to defend cases involving mammoth collections of evidentiary documents and voluminous deposition testimony (e.g., the asbestos, radiation and WPPSS cases) is to provide attorneys with contractor support to screen, organize, microfilm, index and automate the evidence and relevant information and computer support to manipulate and retrieve the information. Without ALS services a virtual army of experienced paralegals would be required to manually organize the documents in such cases and no amount of staff would ever be able to recall and retrieve the information with the precision and speed available from automation.

In cases of lesser size (i.e., up to 200,000 pages of evidentiary material or 20 deponents) ALS has proven to be the most effective and cost efficient method of handling information. Our experience is that it costs 42 percent less to provide the superior document and information processing services available through ALS contractors.

A contractor can provide a staff of 20 today, 100 next week, and cut back to 50 the following week, based entirely on the Government's case needs and deadlines. Moreover, the contract staff can be ordered with experience in full-text data bases one week, strong backgrounds in document indexing next week, and years of trial support experience another time. In contrast, Government employees must be hired and retained under less flexible standards.

In order to provide attorneys with these indispensable services, it would be necessary to employ over 500 additional paralegals at a cost in excess of $24 million. As long as our caseload continues to grow and the need to master large collections of evidentiary information remains, we do not expect that ALS funding will reduce our needs for attorney and secretarial positions or for paralegal positions to assist with cases which do not warrant ALS contractor assistance.

Question:

What would the impact be if funds are denied?

Answer:

Aside from the substantial efficiency losses that would result if funding is denied, key litigative efforts will be severely hampered without additional ALS:

With $35 billion at stake in asbestos litigation and major trials imminent, failure to provide ALS funding could be catastrophic. The extent of the potential jeopardy was poignantly reflected by Judge Nettesheim during a recent Claims Court hearing involving asbestos litigation. In response to the Government's assertion that litigation support and attorney resources were not available to prepare for trial as ordered, she stated:

> I am not so much concerned about the government's difficulty in preparing for trial, with all due sympathy to the government in terms of its own resource problems. **The government can either pay judgments or pay attorneys,** and it makes its choices. And if plaintiffs are ready to go, especially with the time periods that have been involved in this case, **there is no reason the government can't muster the requisite resources to avoid suffering enormous judgments.** So that will not be a factor. [Emphasis added.]

With $7.4 billion at stake in WPPSS litigation and a document collection of huge proportions, denial of the needed ALS support will put our attorneys at a distinct disadvantage, damaging the Government's entire defense. They will be unable to meet the court-imposed schedules for depositions, risking adverse judicial sanctions. Unable to access crucial evidentiary information, our attorneys will be forced to go to trial ill-prepared, risking enormous losses to the Treasury.

In extraordinary litigation such as the case against Shell Oil at the Rocky Mountain Arsenal, the sheer volume of evidentiary material is overwhelming. Over three million pages have been collected from several dozen Army and Shell sites nationwide so far. These would fill 1,000 file drawers; it is difficult to imagine working with this material without automation. In cases such as this, defendants are also using litigation support to manage their preparation. Loss of litigation support would unnecessarily place the Government at a severe disadvantage.

The massive number of new cases triggered by the *Immigration Reform and Control Act of 1986* necessitates additional ALS services. Without the requisite services to track the cases and prepare for upcoming trials, our defense will be hamstrung, risking dangerous precedents, which could undermine the entire Immigration Reform initiative.

Denial of additional ALS funds would also be extremely detrimental to the Government's efforts to combat fraud. Funds for ALS services currently available for our largest fraud cases would have to be diverted to meet stringent recordkeeping requirements of the *False Claims Reform Act of 1986*. In addition to the deleterious impact on ongoing cases, support would not be available for new cases, which are expected to double by 1988. The resulting lost parity with our powerful courtroom opponents would stymie our ability to recover millions of dollars and deter future fraud.

Question:

For the record provide the amounts required for ALS by activity, by fiscal year.

Answer:

	(In thousands of dollars)		
	1986	1987	1988
Tax Division	...	...	$3,000
Civil Division	$12,234	$8,456	13,844
Lands Division	1,320	1,795	6,650
Total	13,554	10,251	23,494

Tax Division

Question:

You request an increase of 12 positions and $2,348,000 in 1988 for the Tax Division's Federal Appellate Activity. You indicate that the increased workload in this request results from anticipated legal suits concerning tax reform. As you will only be involved in appeals to legal suits resulting from tax reform and those suits must first be handled by the Civil Trial Section, why do you believe the resources are required in 1988?

Answer:

The Tax Division anticipates a substantial increase in the number of legal suits filed by taxpayers contesting the technical provisions of the Tax Reform Act of 1986. Initially these suits will be litigated by the Division's civil trial attorneys. However, this litigation will result in more appeals being filed, as taxpayers will appeal judicial determinations regarding their claims. These cases must then be handled by Federal Appellate attorneys. The limited staff in the Tax Division's Federal Appellate Section have, thus far, managed to keep abreast of pending caseload, despite a 10 percent annual increase in case receipts for the past several years. However, a continuation of this normal trend of caseload growth, in conjunction with the impact of the Tax Reform Act on appellate litigation, will prevent Federal Appellate attorneys from effectively litigating all appeals under consideration. As a result, the Government stands to lose a substantial source of revenue which could otherwise be

obtained with the additional three positions requested for this program as a result of the impact of the Tax Reform Act.

In addition, the nine positions requested in 1988 for the Federal Appellate Activity include positions to address the workload which will result from the implementation of the Internal Revenue Service (I.R.S.) Tax Shelter and General Revenue Compliance Initiatives. Congress authorized 500 additional positions to the I.R.S. to expedite resolution of disputed tax audits under the 1987 Treasury Department Appropriations Act. An additional 717 positions and $30.7 million are included in the President's 1988 budget for the Appeals and Tax Litigation Unit of the I.R.S. These resources will be used to close 26,000 of an ever growing backlog of cases that has reached 84,000 and to accelerate collection of over $470 million in tax receipts. These intensified enforcement efforts will have a direct and comparable impact on the Division's Federal Appellate workload as many more taxpayers will file suits appealing I.R.S. determinations. The present staff in the Division's Federal Appellate Section is insufficient to manage this increased caseload and also be responsive to the I.R.S. need for additional legal support in its tax law enforcement efforts.

Question:

You have been able to handle a slow but steady increase in criminal tax prosecutions with no growth in personnel for the past several years. Why does the Division now require an additional six positions and $771,000 for 1988?

Answer:

The Division requires an additional six positions and $771,000 for its criminal tax prosecution program as a direct result of the approval of additional resources under the Treasury Department Appropriations Act, 1987, for the I.R.S. to implement the Tax Shelter and General Revenue Initiatives, with further increases in resources for these initiatives anticipated in 1988.

The Division's criminal tax prosecution attorneys will be required to provide additional legal advice and assistance to the I.R.S. in conjunction with their intensified criminal enforcement efforts. Congress increased the number of I.R.S. special agents by eight percent and provided the I.R.S. Criminal Investigation Unit an additional $5 million in 1987. An additional 77 positions and $23.5 million for I.R.S. tax fraud investigations and enforcement litigation programs are included in the President's 1988 budget request for the I.R.S. With these additional resources, the I.R.S. estimates an increase of 46 tax fraud investigations being initiated in 1987 and an additional 57 tax fraud investigations being initiated in 1988.

The I.R.S's additional workload estimates and enhanced criminal tax enforcement program will have a direct and immediate impact on the workload of the Division's criminal tax attorneys. I.R.S. special

agents will be seeking more and more legal guidance and assistance from Division personnel to investigate and prosecute criminal tax evaders aggressively. If the Division's criminal tax prosecution attorneys are to provide timely and effective support to the I.R.S. special agents for their criminal tax enforcement program, additional personnel and funding in 1988 are absolutely essential. Billions of dollars could remain untapped as a source of Federal revenue if the Division's 1988 request for its Criminal Tax Prosecution program is not approved.

Question:

A 15 percent increase of 46 positions is requested for civil trial tax litigation as a result of enactment of the Tax Reform Act of 1986. The Tax Reform Act of 1986 was designed to simplify the tax codes. Why does the Division require more attorneys to interpret a simplified tax code?

Answer:

The Tax Division is requesting an additional 46 positions and $7.2 million in 1988 to address the civil caseload increases which will be generated by both the new Tax Reform Act of 1986 and the I.R.S. Tax Shelter and General Revenue Initiatives. The Division's civil tax litigation program is the largest and most comprehensive of the Division's tax law enforcement activities. As a result, civil tax litigation attorneys assume the greatest role in serving as primary counsel to the I.R.S. and other client agencies.

As with the enactment of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), the enactment of the Tax Reform Act of 1986 will add substantially to the Civil Trial Section's already burdensome workload. The Division anticipates an immediate and substantial workload impact as a result of the Tax Reform Act's provision treating interest on most tax deficiencies of individual taxpayers as "personal interest" and not fully deductible after 1986. New I.R.S. regulations issued in Announcement 86-108 on October 23, 1986 explain the procedures for taxpayers to prepay and deduct interest on prospective tax payment deficiencies. As a result, more taxpayers will pay their tax deficiencies and interest liabilities in 1986 to retain the full deduction for interest paid. They will then file for a refund. Under Revenue Procedure 84-58, 1984-2 C.B. 501, a taxpayer will be able to obtain a refund only by successfully suing in the Claims Court or U.S. District Court, where the Division's civil trial attorneys are the Government's litigators. Taxpayers will no longer have the right to petition the Tax Court for redetermination of deficiency in the event that they have paid his or her entire potential tax liability before receiving a Statutory Notice of Deficiency. This new procedure alone, whereby refund claims will have to be filed in the Claims Court or the U.S. District Court, will cause at least a five percent increase in civil trial litigation caseload in 1988.

In addition, the enactment of this legislation represents the first major transformation of the United States tax system in thirty years and it is inevitable that legal suits will be initiated contesting its technical provisions. The Division's civil trial attorneys will be responsible for handling this litigation. Civil trial attorneys will also be called upon extensively by the I.R.S. and other client agencies to provide legal interpretations of the new provisions of the Act. If the additional seven positions requested as a result of the impact of the Tax Reform Act are not provided in 1988 for this program, the Division will be unable to provide timely, uniform, and equitable interpretations of this new legislation.

The I.R.S. has also predicted that the severe penalties included in the Tax Reform Act for noncompliance may in fact cause a decline in taxpayer faith in the United States voluntary system of individual self-assessment. This in turn, may actually encourage taxpayer noncompliance. If the I.R.S.'s prediction materializes, civil trial attorneys will be tasked with an additional burden to ensure that the nation's tax laws are, in fact, enforced.

Additional workload will also result from the implementation of the I.R.S. Tax Shelter and General Revenue Initiatives. The I.R.S. was provided with an additional 500 appeals officers, auditors, and attorneys, and 1,000 collections personnel to expedite resolution of disputed tax audits and reduce the enormous inventory of unpaid accounts in 1987. An additional 3,325 positions for appeals officers, auditors, and attorneys, and 3,055 positions for collection personnel are included in the President's 1988 request for the I.R.S. With these additional resources, the I.R.S. estimates they will be able to close an additional 20,000 cases and accelerate collection, of $470 million in tax receipts. As a result, the civil trial litigation workload of the Tax Division will be increased significantly because more taxpayers will file suits contesting I.R.S. determinations.

If the additional 37 positions and funding needed to deal with the impact of the I.R.S. increases are not provided in 1988, the Division will be unable to maintain a successful and effective civil tax litigation program. At a time when there is great concern over the size of the Federal deficit, the United States cannot afford to allow the deterioration of the Division's civil litigation program, a program which has the potential to produce substantial revenues for the Federal Treasury.

Question:

In 1987, the Division was authorized an additional five positions and approximately $300,000 for its Organized Crime Drug Enforcement (OCDE) program. Why are an additional six positions and $689,000 required in 1988? Why do you require more than the already approved 50 percent increase in personnel in order to manage the projected five percent increase in caseload?

Answer:

The Tax Division's OCDE program was developed initially with the establishment of a small, separate unit within the Division's Criminal Section. Attorneys in the OCDE unit initially were responsible for serving as the direct liaison with the 13 OCDE regional Task Forces, as well as handling other tax-related litigation. As the OCDE Task Force program developed, and investigations and prosecutions of major drug traffickers expanded, Division attorneys were increasingly relied upon for litigation support, advice, and consultation, by the 13 regional Task Forces. The Division was required to expand its OCDE program in order to provide timely and effective legal assistance to the regional OCDE Task Forces.

The expansion of the Division's OCDE program in 1987, however, was merely in direct response to the increasing number of requests for legal assistance made by the regional OCDE Task Forces. It did not consider the impact that recent legislation would have on the workload of the Division's OCDE program attorneys. Under the Treasury Department Appropriations Act, 1987, the Congress authorized an eight percent increase in the number of I.R.S. special agents and provided I.R.S.'s criminal investigation function an additional $5 million for criminal and drug/tax related law enforcement initiatives. An additional 29 positions and $17.5 million is included in the President's 1988 budget request for the I.R.S. to further enhance drug/tax related enforcement efforts.

The additional resources devoted by the I.R.S. to pursue criminal tax violations involving narcotics trafficking will directly, and immediately, affect the workload of the Division's OCDE program attorneys. The I.R.S' intensified enforcement efforts in this area will result in their seeking more legal advice from Division attorneys in major drug/tax related cases. Present staffing levels are inadequate to address this additional workload and Division attorneys will be unable to respond to I.R.S. requests for legal assistance. As a result, millions of dollars in unreported and untaxed income, which is in some way connected to narcotics trafficking, will remain uncollected.

Criminal Division

Question:

You request an increase of 24 positions and $2,312,000 for Organized Crime Prosecution. Why are you requesting an almost 30 percent increase over 1986 when your workload displayed on page C-10 does not change appreciably and is, in some cases, down?

Answer:

The workload table on page C-10 projects an almost thirty percent increase in criminal investigations to be initiated in 1988, a rate roughly comparable to the increase in authorized positions. As many

investigations require months, sometimes years, to bring to a satisfactory conclusion, the increase in the estimated numbers of investigations closed in 1988 is only slightly more than twenty percent. To institute legal proceedings takes still longer, on the average, so the increase in cases opened is also only about twenty percent over the estimated 1987 level. The increase in cases closed is only half the rate of the proposed increase in authorized positions; however, we believe that increasing the number of cases closed by fifteen, in the first year of the program increase, will be a substantial accomplishment.

Question:

Your justification for Organized Crime program growth describes the need for $95,000 for overtime and awards, and $565,000 for automated litigation support, but fails to justify the remaining increase of $1,652,000. What is this for?

Answer:

The increase of $1,652,000 will provide for the compensation and benefits of the additional staff and the travel expenses, space and equipment rents, litigation services, supplies, and materials associated with their activities.

Question:

You received an increase in 1987 for white collar crime programs. Why do you require an additional six positions and $708,000 in 1988?

Answer:

Although a program increase of six positions and $191,000 was approved in 1987, funding cutbacks in the base level made it impossible, from an operational standpoint, to hire additional staff.

Question:

Can you give us an idea of the payback to the Government of adding these positions for white-collar crime?

Answer:

The fines imposed in the cases that are the subject of this program increase have, in the past, been very substantial. As a result, the Division estimates that this increase should yield at least $1 million annually from the criminal fines imposed on convicted defendants. Among the less tangible returns, the increase will deter criminal behavior of massive financial proportions and strengthen the message from this Administration that white-collar crime will be prosecuted vigorously.

Civil Division

Question:

You request an increase of 34 positions and $2,331,000 for Federal Appellate Activities, which you claim results from an 80-percent growth in appellate actions. What is driving this growth in actions?

Answer:

As our society has become increasingly litigious, we have experienced an explosive growth in suits against the Government. The tremendous volume of cases brought over the past decade has progressed through the trial court system and now threatens to overwhelm the appellate courts. As the Division's trial workload has skyrocketed, the Appellate Staff's workload has increased by over 80 percent in the last five years. Over the next two years, the growth in the Appellate Staff's caseload is expected to more than match the growth of the past five years. Although the outcome of most appeals turn on legal issues, the potential financial losses in cases on appeal in 1988 will be over $58 billion.

Question:

What is driving the increased workload of the Torts Litigation Branch?

Answer:

Nationally, there has been an explosion in tort liability litigation. Further, the courts have shown a tendency to compensate plaintiffs at the expense of those most likely to pay - the "deep pocket" defendant. As the ultimate "deep pocket", the Federal Government has been the target of an alarming number of such civil suits.

Reflective of this trend, the Civil Division's Torts Branch has experienced a dramatic growth in torts cases which poses an enormous threat to the Treasury. At the end of 1986, the Branch was defending the Government in more than 5,000 suits, seeking $97 billion. Between 1986 and 1988, new case receipts are expected to increase by nearly 40 percent. More than $192 billion will be at stake in these cases in 1988.

Through 1988, Torts Branch attorneys will have to defend against the massive litigation and claims arising from airline disasters. Recent cases involving the Delta 191 accident at Dallas/Ft. Worth and the 1986 Aeromexico mid-air collision, coupled with annual increases in aviation accidents portend sizeable growth in aviation litigation. Moreover, as much as $45 billion will be sought in this litigation by 1988.

Additionally, constitutional tort cases are expected to increase by as much as a third through 1988. The suits defended by the Torts Branch challenge actions of important Government officials and law

enforcement agencies and agents. They have the greatest potential impact on Government operations and its ability to combat crime and reduce illegal drug use.

The highly complex areas of medical malpractice and employee negligence suits will also increase. In addition, the Branch will have to continue defending against radiation claims. This litigation, involving several thousand claimants, poses a potential liability to the Government of nearly $10 billion.

Question:

You received an increase of 70 positions for Commercial Litigation in 1987. Why do you require an additional 29 positions in 1988?

Answer:

The Civil Division's request for a 1987 increase of 58 positions for Commercial Litigation was based on a rapidly growing caseload involving billions of dollars in potential losses to the Treasury. Congress approved 29 positions -- half of the requested increase. In assessing our 1988 needs, we found no abatement in caseload trends, necessitating that we re-seek the increase of 29 positions denied by Congress in 1987. These caseload growth projections did not include the additional 21 positions which we subsequently sought in a 1987 supplemental appropriation to implement the newly enacted anti-fraud statutes.

By 1988, we will be facing an estimated workload of 13,106 cases involving claims of over $27 billion. The majority of these cases will be defensive. We must have the resources to resist this growing challenge to the Treasury in such areas as contracting, patent infringement and international trade. In addition to these high growth areas, Commercial Branch attorneys also handle more than half of the burgeoning caseload of the Claims Court and the Court of Appeals for the Federal Circuit.

We must be able to continue to assert the Government's creditor rights in loan defaults and bankruptcies. In the utilities field, we will expand our representation of the Rural Electrification Administration interest in litigation involving over $3 billion in defaulted loans.

Question:

In 1987, you reduced your Federal Programs positions from 172 down to 157, and now in 1988 you request an increase back up to 171 positions. What is causing these variations?

Answer:

In 1987, the Federal Programs Branch staffing level declined by 21 positions from 172 to 151. This reduction was due to a reprogramming of responsibility for the Washington Public Power Supply System

(WPPSS) litigation from the Federal Programs Branch to the Commercial Litigation Branch. While the WPPSS litigation has not lessened in magnitude, the scope of legal issues has shifted. This litigation which previously focused on securities issues that were within the expertise of the Federal Programs Branch now concentrates on financial and monetary issues similar to those handled by our Commercial Litigation Branch. Reassignment of the WPPSS cases (and the associated personnel and funds) was essential to their continued successful litigation. This reprogramming of resources was reflected in our 1988 budget request and confirmed in a formal reprogramming notification sent to your Committee on March 16.

The 1988 request for an increase of 20 positions for the Federal Programs Branch is needed to handle the Branch's caseload (exclusive of WPPSS) which is expected to increase by more than 45 percent from 1986 to 1988. With increasing frequency, litigants are carrying the debate over policy into the courtrooms, rather than allowing it to remain in the Legislative and Executive Branches.

The Federal Programs Branch must continue to have the staff necessary to safeguard the Government's interests in challenges to Congressional and Presidential authorities in such areas as national security, fiscal and budget issues, regulatory policy and personnel actions. The ability to present a strong defense in these cases is essential to the continued viability of virtually all Federal policies and entitlement programs. While monetary claims are not a primary issue in most of this litigation, the dollars at stake could exceed $10 billion in 1988.

Question:

You received a healthy 33 percent increase in 1987 for immigration litigation. Why do you require an additional 11 positions in 1988?

Answer:

Enactment of the *Immigration Reform and Control Act of 1986* greatly expands both the scope and volume of the cases handled by the Civil Division. The 1987 increases provide resources necessary to handle the initial cases growing out of immigration reform -- the most prominent of which are class actions. These suits seek to undermine the core of immigration reform by challenging the new statute and INS' procedures. Three class actions have been filed already consuming substantial staff resources.

Rather than precipitating an immediate explosion of new cases, the effect of immigration reform is likely to be staggered over the next few years. This likelihood is primarily due to the fact that the new provisions will be implemented over time. The bulk of the employer sanctions litigation must await the "education" period stipulated by the Act as well as the time allowed for INS to target enforcement efforts. Similarly, the legalization provisions will be phased with respect to granting benefits. Except for the class actions, mostjudicial review under the Act must be preceded by administrative processes.

The Civil Division's resource requests for 1987 and 1988 reflect our best estimates with respect to the timing of new litigation which we must handle. The positions requested for 1987 should be sufficient to defend the class action suits expected this year as well as suits challenging the denial of interim relief. The 1988 request of 13 additional positions will provide the staffing needed to handle next year's immigration reform related workload which is estimated to be over 900 cases. This workload will be composed largely of suits brought by individual aliens which must each be separately litigated.

Also beginning in 1988, we anticipate major growth in the number of asylum cases as a result of the recent Supreme Court decision, INS v. Cardoza-Fonseca. Over 100 of these cases will be brought before the court of appeals. Both the asylum caseload and the immigration reform caseload will continue to grow through the remainder of this decade and into the 1990's.

Based on INS' projections of their enforcement and examination activities, further resource increases in 1989 and 1990 will be necessary for the Division to handle a massively growing caseload. By the close of 1989, our Appellate caseload will approach 2,400 -- up over 250 percent from the close of 1986. Our trial caseload will nearly double in this period of time.

If we do not have the resources to defend these suits successfully, it will be extremely difficult to attain the goals as envisioned in enacting the Immigration Reform Act.

Land and Natural Resources Division

Question:

In reading your justification on page E-15 for program increases for environmental protection litigation, it appears that your plans to use these resources are required more to protect or defend Federal agencies who are not fully complying with the new environmental laws, than in helping to enforce the law. Please explain.

Answer:

The majority of the program increases requested for 1988 will be applied to enforcement of new compliance deadlines and other provisions of the Resource Conservation and Recovery Act, Clean Air Act, Clean Water Act, and Safe Drinking Water Act, and to defense of Environmental Protection Agency (EPA) rules under these statutes. Moreover, we note that the Land and Natural Resources Division will be receiving from the EPA over $13 million in reimbursable authority for affirmative and defensive litigation (representing EPA) under the Comprehensive Environmental Response, Compensation, and Liability Act.

We do expect an increase in defensive environmental litigation involving Federal agencies. This expected increase results at least in part from the recent expansion of citizen suit authorities and from increased Federal enforcement. (In the latter instance, particularly in Superfund cases, defendants in Federal enforcement

cases frequently implead Federal agencies as potentially responsible parties.) Whenever a Federal agency is sued under one of the environmental laws, the Land and Natural Resources Division is responsible for defending that suit and protecting the Treasury from unwarranted or excessive claims. But our defensive interests do not take precedence over the goal of achieving Federal facility compliance with the environmental laws.

Question:

Please explain the specifics on why you require the additional 26 positions and $6,499,000. I understand you project increased workload due to projected new cases, but won't this be offset by reduced workload as you complete ongoing cases?

Answer:

The Land and Natural Resources Division is requesting increases in two areas, environmental litigation and defensive litigation. This increase involves new positions and increased automated litigation support funding, and is required because litigation is expected in new areas, and cases are coming in at a faster rate than old cases are being concluded.

Entirely new and unprecedented environmental programs and causes of action will foster hundreds of new, complex cases during 1988. These include defensive and affirmative litigation concerning:

- Deadlines set by the 1984 Hazardous Waste Amendments to the Resource Conservation and Recovery Act which fall during 1987 and 1988;
- Newly regulated areas addressed by the 1986 amendments to the Safe Drinking Water Act;
- The December 1987 ozone compliance deadline in the Clean Air Act;
- The "Best Available Technology" compliance deadline in the Clean Water Act; and
- Defense of EPA and other Federal agency decisions about hazardous waste cleanup at Federal facilities.

Defensive litigation increases are needed for a myriad of new programs, including:

- Water adjudications in Montana and Arizona;
- Forest Service long-range timber plan implementation;
- Advances in bio-technology experimentation;
- Sales of excess Federal property; and
- Navy home porting plans.

All of these represent new areas of litigation, and not simply the steadily rising stream of case referrals handled with base level funding. Moreover, this first generation litigation requires a greater commitment of time and initiative since case law has not yet

been developed. Because of scientific uncertainty in areas such as permanent waste disposal techniques or genetic engineering, the cases handled by the Land and Natural Resources Division have become increasingly more complex during the 1980s: the average duration of Division cases has jumped from 2.5 years in 1980 to over 3.5 years at the end of 1986. Thus, the new cases expected during 1988 will not be offset by reduced workload.

Because of the changing nature of the Division's litigation, we have turned to automation to increase attorney productivity. Of the requested increase, over 70 percent will be used for automated litigation support, and of this, over $3 million is needed for two related cases involving hazardous waste contamination at the Army's Rocky Mountain Arsenal in Colorado. Here, cleanup costs have been estimated to be as high as $2 billion, and the 1988 trial will involve over three million pages of evidence spanning 40 years of activity at the site. Since 1983, the Army has provided reimbursable funding for automated litigation support in this case, but as we enter the trial phase, the Department of Justice should provide funding. The remainder of the automation request will be used to support over a dozen Indian claims cases, several of which will be in trial in 1988; to create on-line legislative histories for key new environmental statutes; and to support hazardous waste enforcement cases.

Civil Rights Division

Question:

You essentially request no growth in 1988 for the Civil Rights Division. Considering all the recent high visibility incidents, such as those occurring in New York City, Tampa, and Forsythe County, Georgia, don't you believe you should be adding additional resources for Civil Rights litigation?

Answer:

In conjunction with the Governmentwide effort to control budget increases and improve productivity, the Civil Rights Division (CRD) requested only a modest increase in resources for 1988 to hire outside consultants to perform a variety of analyses including the development of large, complex statistical data bases. In addition, it is expected that AMICUS II, the office automation system now in use in the Civil Division, will be fully operational in the CRD by the early part of 1988. (Funding for AMICUS II will be provided by the Legal Activities Office Automation budget). The utilization of outside consultants and AMICUS II will result in more efficient and cost-effective use of current resources. These initiatives should allow CRD to handle its responsibilities, including increased activity resulting from any "high visibility" incidents in a viable manner through 1988. However, an increase may be necessary by 1989.

Question:

Have recent events resulted in workload increases for 1987 above your projections and, if so, how will this affect 1988?

Answer:

To date, recent events have not prompted any workload increases above our projections for 1987. However, we think that the added efficiencies anticipated as a result of the use of outside consultants and AMICUS II will enable us to handle any such increases should they occur in 1988.

INTERPOL-USNCB

Question:

You request an increase of 12 positions and $400,000 to allow the U.S. National Central Bureau (USNCB) of INTERPOL to operate 24 hours per day. Please explain the need for this requirement.

Answer:

The INTERPOL-USNCB provides the means through which 141 countries, located in every time zone around the world, exchange investigative information with the Federal, State, and local law enforcement community. With 24-hour operations, the U.S. National Central Bureau can improve the quality and quantity of service it affords U.S. and foreign law enforcement. The following program demands will be met through 24-hour operations:

- Immediate response and confirmation required by the National Crime Information Center Foreign Fugitive File:
- Immediate response an/or relay of information required in cases of international terrorism where critical decisions demand up-to-the minute facts;
- Immediate confirmation of INS entry/border point inquiries;
- Immediate response to the National Law Enforcement Telecommunications System message traffic;
- Support of the 30-nation Caribbean/Central American Telecommunications Network; and
- Immediate and improved responses to police departments nationwide.

Question:

What would be the impact if it was denied?

Answer:

A test of 24-hour operations has resulted in a substantial reduction of a case-processing backlog that has continued to escalate yearly, and in elimination of delays in responding to urgent message traffic, with a corresponding reduction in delays for other-than-urgent

message traffic. Productivity increases have been achieved through implementation of continuous case processing and maximum utilization of USNCB telecommunications resources. The impact of eliminating 24-hour operations would negate these benefits and limit the ability of USNCB to address workload increases that are anticipated.

Independent Counsel

Question:

What do you anticipate to be your total obligations for Independent Counsel in 1987?

Answer:

Based on discussions with the Administrative Office of the U.S. Courts (AOUSC), which is providing the direct administrative and logistical support for the several Independent Counsel investigations, total obligations in 1987 could exceed $3.5 million and may reach $4 million.

Question:

Do you now know whether any Independent Counsel will be operating in 1988 and, if so, do you have any cost projections?

Answer:

It is expected that at least one, and perhaps several, Independent Counsel investigations will continue through 1988. Because of the way in which these investigations are administered, the Department is unable to provide detailed cost projections, but discussions with AOUSC have indicated that potential costs in 1988 could reach $6 million.

Legal Activities Office Automation

Question:

Please provide a cost break out for this office automation project by type of expense by fiscal year.

Answer:

Projected costs for office automation, based on leasing the system, are broken out into the following three major categories: site preparation and installation; hardware and software; training and systems support.

Site preparation and installation are projected to constitute approximately 25 percent of the first-year systems cost and 5 percent of the second-year costs. Training and systems support are projected to constitute 10 percent of each year's systems cost. The remaining costs, 65 percent in the first year, 85 percent in the second year, and 90 percent in each following years will be for hardware and software-related systems expenses.

Question:

Are there any off-setting cost savings to be derived if we fund this more efficient office system?

Answer:

The Department projects significant cost savings that will be reflected through a variety of measurable performance factors including:

- Enhanced productivity and product quality;
- Rapid and efficient electronic transfer of information, documents, and work products among the litigating components;
- Expanded availability and use of automated legal research and litigation support;
- Economies of scale for integrated systems acquisition and support and;
- Improved compatibility among systems and litigating components;

For example, preliminary cost/benefit analysis indicates that the cumulative cost of the Land and Natural Resources Division system will exceed savings for the first three fiscal years, but thereafter the benefits will exceed the cost. The Lands Division cumulative summary of savings for the system for the next five years (1987 through 1991) reflects a cumulative cost avoidance of $5,855,000.

Question:

Why is it that in General Legal Activities funds are requested for automated systems, but no reductions in positions are called for?

Answer:

It is inappropriate to request position reductions based upon an expectation of future events. Once Congress appropriates the requested funding, the systems are put into place and the expected efficiencies materialize, the Department will require that the resultant staff savings be offset against current program requirements.

Immigration-Related Unfair Employment Practices

Question:

You are setting up a brand new office to handle immigration-related discrimination cases. Why is it necessary to set up a whole new bureaucracy for this program, including an Executive level chief and associated administrative costs?

Answer:

Section 102 of the Immigration Reform and Control Act of 1986 requires the appointment of a Special Counsel for Immigration-Related Unfair Employment Practices within the Department of Justice for a term of four years. The Special Counsel's compensation is set by statute to be "at a rate not to exceed the rate now or hereafter provided for grade GS-17 of the general schedule . . . ."

Question:

Why couldn't this program be handled as a section under the Civil Rights Division?

Answer:

Establishing the Special Counsel and his/her staff as a section under the Civil Rights Division or as a component of the Civil Rights Division is one option that appears to be available under the Act. It is equally permissible, in our view, to have the Special Counsel operating from a separate component within the Department of Justice which focuses solely on enforcement of the anti-discrimination provisions of the Act. Indeed, those provisions contemplate the possibility of regional offices of the Special Counsel to be established, if necessary, to carry out the Special Counsel's duties.

Question:

What savings could be made if this program was brought under the Civil Rights Division?

Answer:

We do not anticipate that either option offers much in the way of savings over the other. At the present time, we are continuing to review both alternatives, and no final decision has yet been made on this point.

Workload

Question:

Throughout your justification, you request increases based on projected workload increases. For the record, for each of these workload displays, please provide the actual experience to date for 1987 and explain whether you believe you will still achieve the 1987 projection you estimate in the request.

Answer:

Revised workload data is available for a select number of organizations:

Tax Division. The Tax Division's monthly case management report for February, 1987 provides year-to-date actual, our estimate as contained in our budget request, and a straight line projection. The following figures are provided for case receipts and closings as of February, 1987.

	FY 1987 Cases Received		
	Actual	Estimate	Projection
Federal Appellate Activity	334	1,100	802
Civil Tax Litigation			
. Defense of Monetary Claims	875	2,500	2,100
. Recovery of Money	2,508	6,000	6,019
. Federal Civil Programs	1,175	3,550	2,820
SUBTOTAL	4,558	12,050	10,939
Criminal Tax Prosecution			
. Number of Defendants	969	2,500	2,326
. Grand Jury Investigations	22	25	53
SUBTOTAL	991	2,525	2,379
OCDE			
. Grand Jury Receipts	201	200	482

	FY 1987 Cases Closed		
	Actual	Estimate	Projection
Federal Appellate Activity	237	1,200	569
Civil Tax Litigation			
. Defense of Monetary Claims	764	2,100	1,834
. Recovery of Money	2,306	4,700	5,534.
. Federal Civil Programs	1,203	3,800	2,887
SUBTOTAL	4,273	10,600	10,255
Criminal Tax Prosecution			
. Number of Defendants	1,124	2,500	2,698
. Grand Jury Investigations	11	100	26
SUBTOTAL	1,135	2,600	2,724
OCDE			
. Grand Jury Receipts	103	370	247

Land and Natural Resources Division. Traditionally, case referrals for the Land Acquisition and Environmental Protection programs of the Land and Natural Resources Division are concentrated in the last quarter of the fiscal year due to the operating procedures of

statistics bear out this theory. Case receipts in 1987 are higher through February than in 1986 or 1985 in the two programs for which increases are requested, General Litigation and Environmental Protection. The Lands Division's overall workload receipts through mid-February are lagging slightly behind the pace we had expected. Case closings also lag at this time though not significantly based upon the past two years statistics for the same period.

	February 1987		Budget Projections	
	Received	Closed	Receipts	Closings
Federal Appellate	116	59	420	400
Land Acquisition	318	176	1,000	1,700
Environmental Protection	532	218	1,745	1,252
General Litigation	1,272	1,152	2,005	1,525
Total	2,238	1,605	5,170	4,877

Civil Division. Currently, there are 22,543 cases personally handled by Civil Division lawyers; up from 22,174 at the beginning of the year. Thus far in 1987, 3,457 new cases have been received. This rate of receipt confirms our projection of a workload of 23,204 at the end of 1987.

At this point, immigration litigation is the only major area which is relatively low in comparison to the total projected receipts for the year. However, in developing our workload projections under the new Immigration Reform and Control Act, we anticipated that the greatest volume of cases will be received in the last quarter of 1987 when INS begins to implement major provisions of the Act. As expected, the first group of immigration receipts has been class action cases. The three major class action suits filed so far, while small in number, are already requiring an enormous dedication of staff resources.

The Department, at the Committee's request, will be happy to provide additional workload data as it becomes available.

QUESTIONS FROM MR. EARLY

Antitrust Division

Question:

Your 1988 request for both positions and funding reflects decreases across the board for all activities. In almost every instance you state that these reductions will not affect your goals and objectives because of the use of computer-assisted methods for case materials. Please explain how these automated systems will make your case work more efficient thus allowing you to save positions.

Answer:

The Antitrust Division has increased its use of automated computer support in investigations and cases. The use of computer-based statistical analysis and graphics has proven particularly valuable in price-fixing and bid-rigging investigations. By loading relevant data regarding pricing, sales, or shipments into the computer and applying analysis techniques, large volumes of data may be rapidly understood and evaluated by Division attorneys and economists without burdensome hours of screening and reading of documents. Further, the products of these analyses are introduced into pretrial negotiations or in evidence in the form of computer-generated graphics, enabling the court to grasp quickly the impact of complex price-fixing schemes or the results of bid-rigging conspiracies.

Question:

In examining your workload displays, it appears that you are estimating either no change or decreases in almost every instance. Do you not foresee any new major antitrust efforts ahead?

Answer:

The Antitrust Division will continue to concentrate on its core mission which is to uncover and prosecute unambiguously harmful conduct and to review mergers. This task includes recent initiatives that focus on uncovering and prosecuting collusion in government contracts, including Defense procurement. At present, thirty-six grand juries, as well as several other preliminary investigations, are looking into possible antitrust violations in this area. These efforts have been successful thus far. They have resulted in nineteen cases that have produced $6.5 million in fines or damages, as well as considerable jail sentences. The Division intends further to increase our efforts to uncover and prosecute criminal antitrust violations. We intend to do so with our current resources. If more resources are needed, the Division will not hesitate to bring that fact to the Department's attention.

Question:

Have you considered the impact of the Chrysler buy-out of American Motors? What will be the impact of this action?

Answer:

As the Committee is aware, the Department of Justice shares antitrust enforcement responsibility with the Federal Trade Commission. Pursuant to the long-standing liaison agreement between the two agencies, the proposed Chrysler/American Motors transaction will be reviewed by the Commission rather than the Antitrust Division. Accordingly, we have no comment on any impact this transaction may have, except to state that it will have no impact on the Division's resources.

Question:

Management and Administration is reduced by twenty-two positions and $414,000 for no apparent programmatic reasons. What is the rationale? Is this reduction a result of "management improvements" directed by OMB?

Answer:

These reductions were made possible through increased automation and management improvements, which the Antitrust Division has initiated on its own. The Division has undertaken an ambitious office automation program and virtually all employees will have access to an ADP terminal by 1988. These terminals, linked by minicomputers, will make computer, legal research, and word processing support directly available to professional staff, resulting in savings of support personnel. In addition, the Division has recently consolidated its Washington-based personnel into two building locations rather than three, permitting increased logistical efficiencies. In the area of office management, automated correspondence and case tracking will also produce substantial savings.

Question:

It appears from your chart on page K-30 that a disproportionate share of the reduction comes from lower-graded administration and clerical positions. Why is that?

Answer:

Increased efficiency in the use of word processing equipment and automation of other procedures will reduce the need for lower-graded support staff.

Question:

We did observe one unique feature that might set you apart from almost every other agency of the Federal government. You propose a fifteen percent reduction in positions and they are all from the Washington headquarters, none from field activities. Were there no savings in the field?

Answer:

The Division's field offices have absorbed reductions in previous years so that they have reached the size appropriate to performing their law enforcement functions efficiently. Further reductions in the field would result in insufficient resource flexibility. Moreover, the field offices have been on the front-lines of our criminal enforcement initiatives, and, as we have stated on numerous occasions, we do not intend to decrease, but rather to expand, our criminal enforcement efforts.

QUESTIONS FROM MR. EARLY

U.S. Attorneys

Criminal Litigation

Question:

You request $500,000 for Security for U.S. Attorneys offices. Aren't these offices generally tenants in Federal buildings already protected by security personnel? What exactly will these funds provide?

Answer:

Although guard service is provided for most buildings housing U.S. Attorneys' offices, the primary function being performed is the screening of non-authorized visitors from entrance onto the premises. In many districts, there is minimal control over the movement of authorized visitors, such as witnesses, after entry has been gained. Such visitors, as well as employees of other agencies who work in these buildings, constitute a threat to the security of sensitive files and other repositories of information, evidence, and cash collections.

The Justice Management Division's Security Staff conducted compliance reviews on personal and physical security in the U.S. Attorneys' offices and identified many deficiencies. The recommendations made by that office have been incorporated into this request. Among the measures planned to restrict movement of non-employees is the installation of receptionist work stations.

The funding requested will also be used extensively to protect information resources. Funds will be used to upgrade cabinets for sensitive files, install intrusion alarm devices to detect break-ins to locked offices, install television monitors and cameras to watch over entrances to offices, and purchase "card-key" systems. Funds may also be used for the securing of telephones, facsimile machines, word processing equipment, and personal computers with devices that prevent unauthorized personnel from intercepting messages or accessing data bases.

Question:

What has been the growth in positions in past years for white-collar crimes? Why do you request additional positions in 1988?

Answer:

The only specific increase in the white collar crime area appropriated in the last five years provided 22 Assistant U.S. Attorneys (AUSAs) and 22 support personnel for tax enforcement in 1985. Other increases in recent years have been targeted at combatting drugs and keeping pace with workload created by new legislation such as the Comprehensive Crime Control Act (CCCA) and

the Federal Judgeships and Bankruptcy Act. The 28 positions requested for 1988 would be applied in the areas of defense procurement fraud, money laundering, government program fraud, bankruptcy fraud, bank fraud and embezzlement.

The Federal Bureau of Investigation projects an increase of 1,000 investigative matters in this area in 1988 over their 1987 figures. Likewise, bank frauds have increased well over 100 percent since 1981. This trend will accelerate with added use of the new bank fraud statute included in the CCCA. Referrals involving defense procurement fraud are expected to mushroom given the Defense Contract Audit Agency's addition of over 200 plant-based auditors.

Civil Litigation

Question:

You are requesting 80 positions and $3,970,000 for the Civil Litigation program in 1988 in order, you claim, to maximize recovery of monies by the U.S. Government. What estimates of additional recoveries will these positions provide?

Answer:

The Affirmative Civil Enforcement initiative is expected to increase recoveries to the U.S. Government by approximately $60 million in the first full fiscal year after implementation. Our estimates of potential recoveries in this program are premised upon the experience of the Affirmative Civil Litigation Unit in the Eastern District of Pennsylvania which has had recoveries of $25 and $23 million in the past two fiscal years, based upon a commitment of five workyears to affirmative litigation. This result is unusual, but we believe that $2 million per Assistant United States Attorney workyear, based on the Eastern District of Pennsylvania and similar numbers in the Southern District of Florida, the Northern District of Alabama and the Eastern District of Virginia can be conservatively projected in other offices, given existing and potential caseloads in such complex and labor-intensive areas as:

1. defense procurement fraud,
2. medicare/medicaid fraud,
3. forfeitures (including drug cases),
4. program fraud, and
5. bankruptcy litigation

Question:

You discussed on page L-12 why the number of referrals decreased from 1985 to 1986, but you fail to justify why you believe referrals will begin to rise during the latter part of 1987 and during 1988. Please explain why they will increase?

Answer:

In the past couple of years, we have solicited our principal client agencies, requesting litigation referral estimates for upcoming budget cycles. We then combine these survey results with our historical data and our knowledge of principal program initiatives, developments and workforce and project future workloads accordingly.

Even so, our projections, particularly in the civil litigation area, have been known to require significant and immediate revision on occasion such as when Congress enacts new legislation, when the courts issue rulings on salient program areas, or when the Administration undertakes new initiatives. Examples of such occurrences would include the 5,000+ drop in Social Security disability litigation referrals experienced in 1985 as a result of statutory amendments contained in P.L. 98-460 passed in 1984. An example of a court decision significantly affecting referrals to the U.S. Attorney offices would be Coleman v. Block (D.N. Dak. 1984) which created a backlog of unreferred Farmers Home Administration (FmHA) cases; we now expect a surge of 5,000 to 6,000 foreclosure referrals in 1987 over the level of 1985 due to the outcome of this one case. A final example of workload variation entails this Administration's 1986 implementation of the IRS tax-offset program. This initiative caused five of our principal client agencies to defer a significant number of referrals to us as they awaited the results of the pilot run involving hundreds of thousands of accounts. Our estimates for 1987 and 1988 still appear to be realistic approximations despite all the variables, primarily due to the influx of FmHA cases referred to previously.

Question:

You state that one of the major civil litigation objectives is to collect monies owed to the United States and to increase the effective rate of return. What was the amount sought, settled, and collected by U.S. Attorneys on delinquent debt cases handled in 1986?

Answer:

The United States Attorneys began fiscal year 1986 with 72,464 delinquent civil debt cases and matters valued at $905,655,120 on their books. At the end of the fiscal year that inventory was 69,441 debt cases and matters valued at $961,044,489.

During the fiscal year, the United States Attorneys opened 34,709 new debt cases and matters valued at $1,077,203,022 and closed 37,732 debt cases and matters.

During the fiscal year, the United States Attorneys recovered $472,224,840 in cash, property, and the like; while $549,588,813 worth of debt was written off as uncollectible.

Question:

What is the status of Justice efforts to develop a Uniform Federal Debt Collection Bill that would among other things minimize state law restrictions on the Federal Government's debt collection efforts?

Answer:

The draft legislation has been reviewed by U.S. Attorneys across the country and is now being circulated elsewhere within the Department for comment. A proposed bill will be forwarded to the Office of Management and Budget when all comments have been received, and any pertinent suggestions have been addressed in the bill's language.

Question:

Does Justice plan to use the IRS tax refund offset program to collect delinquent debts referred to the Department for litigation?

Answer:

In tax year 1986, criminal fines/assessments were referred under the IRS Refund Offset program by the United States Attorneys. They served as a "pilot" entry into the program. We hope to add civil claims at a later date after a management review is made of the existing system. At this time, the system and procedures are still being refined. Until all the "glitches" are worked out for the limited system, it would be imprudent to expand the system to include all referrals. When the management review is completed, a cost/benefit analysis will be done on 1986 data to determine the merits of this expansion. Data is too preliminary right now to make such an assessment since only now are 1986 tax returns being filed.

Question:

Has Justice entered into contracts with private attorneys to litigate outstanding debt collection cases as authorized by the Federal Debt Recovery Act of 1986 (Public Law 99-578)? If not, what is the status of using private attorneys and what types of cases will they be handling?

Answer:

Within the Department, the Justice Management Division is responsible for contracting with private attorneys to litigate outstanding debt collection cases. A number of important steps have already been undertaken to ensure that this newly-authorized program begins on sound footing. Critical among these steps is the selection of five "pilot" districts which have especially large backlogs of debt collection cases. These districts are: the Eastern District of New York, the Southern District of Florida, the Southern District of Texas, the Eastern District of Michigan and the Central District of California. A working group of Assistant U.S. Attorneys from these districts has been established, both to solicit their advice and to

initiate an inventory of these backlogged cases for eventual referral to private counsel. Another important organizational step already accomplished at the local level is the formal mailing of notices to all Bar Associations and legal publications in these districts to advise them of this program's opportunity. These actions will contribute toward a smooth and effective conduct of the later formal bidding process.

Highlighted below are a number of other steps which we have undertaken to expedite program implementation and ensure proper management controls:

- written requests to every federal agency asking for an inventory of the kind and amount of debts which each expects to refer to the five pilot districts over the next three years;
- completion and internal circulation of draft regulations which, upon revision, will be published in the Federal Register for comment and later transmittal to Congress;
- meetings with debt collection officials at the Department of Education to assess options for designing a central intake system for debts being readied for litigation;
- preparation of synopses for both the central intake and the private counsel contracts for publication in the Commerce Business Daily.

Beyond these specific efforts, we have met with other government and private organizations, including the Federal Deposit Insurance Corporation and the Commercial Law League, to solicit their suggestions for conducting this program. In summary, we are pursuing every avenue available to tap into existing expertise in this relatively new area so that the Department's debt collection program proceeds in an effective manner.

Compensation

Question:

On page L-26 you identify program changes for Criminal Litigation which shows compensation increases of $11,190,000 for 194 positions. Using a 25 percent lapse rate, this equates to an increase of approximately 150 workyears at an average annual salary of almost $75,000. How is this average salary derived?

Answer:

The amount of $11,190,000 cited in the "Financial analysis-program changes" exhibit is the amount necessary to pay the compensation for a full year of 194 Assistant United States Attorneys. The average salary for these positions is $57,680. After applying a slightly lower lapse rate to these attorney positions than to other new

positions in the request, the result was a total of 159 workyears. The cost of compensation for these workyears is $9,171,000.

Question:

Since these added positions are primarily new lawyers, how can you justify such a high salary?

Answer:

As noted above, the annual salary for attorneys in the criminal litigation request is $57,680 per attorney, not $75,000. This rate is less than the average amount computed for the existing attorney workforce in 1988 (approximately $60,000). It is anticipated that most of the attorneys hired to encumber the new positions requested will have significant levels of experience in government or in the private sector, and that it will be necessary to provide compensation commensurate with that experience.

Workload

Question:

Throughout your justification, you request increases based on projected workload increases. For the record, for each of these workload displays, please provide the actual experience to date for 1987 and explain whether you believe you will still achieve the 1987 projection you estimate in the request.

Answer:

Below are workload statistics for all litigative decision units as of January 1987 for Criminal and Civil Litigation, and as of February 1987 for Organized Crime Drug Enforcement.

Criminal Litigation

Item	1987 Actual January
Matters received	24,730
Matters closed	14,385
Matters pending	58,702
Cases filed	9,575
Cases terminated	8,895
Cases pending	24,916
Grand Jury proceedings	5,204
Cases closed by trial	971

Civil Litigation

Item	1987 Actual January
Matters received	27,627
Matters closed	28,017
Matters pending	33,723
Cases filed	25,856
Cases terminated	23,189
Cases pending	157,416
Appeals filed	622
Appeals terminated	827
Cases closed by trial	341

Organized Crime Drug Enforcement	1987 Actual February
Cases initiated	117
Cases in which indictments are returned	180
Indictments returned	495
Defendants indicted	1,417
Defendants charged with Racketeer Influenced and Corrupt Organization	60
Defendants charged with Continuing Criminal Enterprise	59
Defendants convicted	729

In some instances, the actual data displayed above may appear to indicate that end-of-year projections for 1987 are overstated. Such a conclusion is premature because of several factors. First, due to the holiday season, productivity in the first quarter appears low regularly because client agency personnel use much of their vacation time during this period. This affects the referral rate. Second, many offices experience backlogs in the entering of data into the various information systems at the beginning of the fiscal year. As the year progresses, data entry becomes a higher priority. This problem of delayed data entry is compounded further by a high vacancy rate among clerical staff, including data entry personnel. The high vacancy rate is a carryover from a hiring freeze imposed in 1986 to comply with the Gramm-Rudman-Hollings Deficit Reduction Act. This hiring freeze also significantly reduced the number of attorneys on-board. When the attorney vacancy rate declines to more normal levels (which a survey of United States Attorney offices indicates will happen fairly quickly), it is expected that workload indicators will rise significantly. Some of the vacancies involve attorney positions for the Southwest Border Drug Interdiction program which were funded for three-fourths of the year. When these positions are filled, it is expected that narcotics and dangerous drug case filings will begin climbing in the third and fourth quarters.

THURSDAY, MARCH 12, 1987.

FOREIGN CLAIMS SETTLEMENT COMMISSION

WITNESSES

BOHDAN A. FUTEY, CHAIRMAN
MICHAEL J. ROPER, DEPUTY COMPTROLLER FOR BUDGET

Mr. SMITH. Next, we will hear testimony on the fiscal year 1988 request of the Foreign Claims Settlement Commission. Your request is for $510,000, a decrease of 11 percent, from fiscal year 1987 amounts.

[The budget justification material follows:]

DEPARTMENT OF JUSTICE

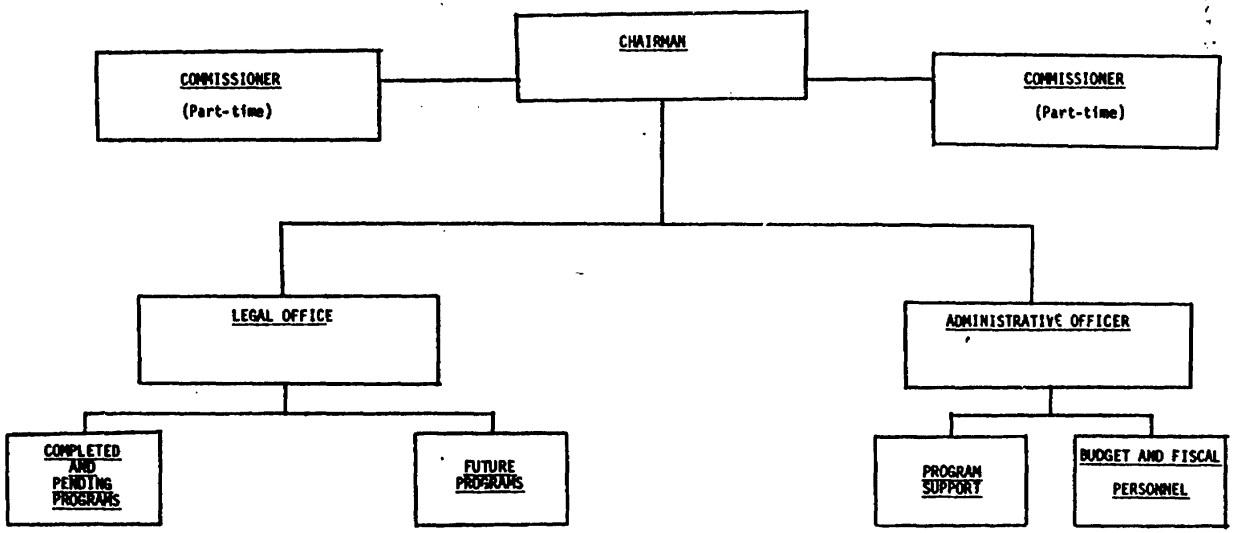
Foreign Claims Settlement Commission

Budget Estimates, Fiscal Year 1988

Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes in Appropriation Language	4
Crosswalk of 1987 Changes	5
Summary of Requirements	6
Justification of Program and Performance	7
Detail of Permanent Positions by Category	9
Justification of Adjustments to Base	10
Summary of Requirements by Grade and Object Class	13

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE
UNITED STATES



BOHDAN A. FUTEY, CHAIRMAN

Foreign Claims Settlement Commission

Salaries and expenses

Summary Statement

Fiscal Year 1988

The Foreign Claims Settlement Commission is requesting a total of $510,000, nine permanent positions and nine FTE workyears for 1988. This request represents a net decrease of $61,000 from the 1987 appropriation anticipated of $571,000, nine positions and nine FTE workyears.

The principal mission of the Commission is to settle the claims of American citizens arising out of the nationalization, expropriation or other takings of their properties and interests by certain foreign governments. The Commission has compiled and evaluated such claims against 14 countries under the International Claims Settlement Act of 1949, involving Yugoslavia, Panama, Poland, Bulgaria, Hungary, Rumania, Italy, the Soviet Union, Czechoslovakia, Cuba, China, East Germany (GDR), the Socialist Republic of Vietnam, and the Provisional Military Government of Socialist Ethiopia. The Commission and its predecessor agency, the War Claims Commission, have also undertaken and completed numerous programs arising out of World War II under the War Claims Act of 1948.

The Foreign Claims Settlement Commission functions with one budget activity covering the adjudication of international claims as well as the salaries and other costs of the three Presidentially appointed members of the Commission, a legal office and an administrative support operation.

The Commission consists of a Chairman and two part-time Commissioners, all of whom are appointed by the President with the advice and consent of the Senate. The part-time Commissioners receive compensation at the Executive Level V rate of pay for performance of official business of the Commission at the direction of the Chairman.

The Commission will certify all final awards for payment to the Department of the Treasury on the Ethiopian Claims Program. It will also prepare and issue a final report to the Congress on this program.

The Commission will assist the Department of the Treasury in the payment processing of claims for losses on which the Commission has issued awards payable from existing claims funds such as the Czechoslovakian claims fund and the Ethiopian claims fund.

We will assist the Department of State in ongoing negotiations between the United States and East Germany.

The Commission will continue its advisory function to the Congress, and the Departments of State and Treasury concerning claims before the United States-Iran Claims Tribunal at The Hague.

Under the War Claims Act of 1948, as amended, the Commission will authorize payments to American military prisoners of war captured by hostile forces in Southeast Asia during the Vietnam conflict.

The Commission will update a volume entitled "Decisions and Annotations of the Foreign Claims Settlement Commission" for the period covering 1968 to 1988. Such a volume will complete the documentation of the history of the Commission and its determinations on claims for losses of American citizens in foreign countries. This volume will include information on programs involving losses in Cuba, China, East Germany, the Socialist Republic of Vietnam, Czechoslovakia and Ethiopia.

Also, during 1988, the Commission will provide continuing service to former and prospective claimants on a total of 35 completed international and war claims related programs. This staff will also be providing advice on policy determinations, preliminary planning, evaluation of pending claims legislation and liaison with Congressional committees considering legislation intended to provide compensation to new categories of claimants.

The decrease in the Commission's appropriation results from the completion of a program under the International Claims Settlement Act of 1949 against the Provisional Military Government of Socialist Ethiopia.

Foreign Claims Settlement Commission

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1988 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses, Foreign Claims Settlement Commission

For expenses necessary to carry out the activities of the Foreign Claims Settlement Commission, including services as authorized by 5 U.S.C. 3109; allowances and benefits similar to those allowed under the Foreign Service Act of 1980 as determined by the Commission; expenses of packing, shipping, and storing personal effects of personnel assigned abroad; rental or lease, for such periods as may be necessary, of office space and living quarters of personnel assigned abroad; maintenance, improvement, and repair of properties rented or leased abroad, and furnishing fuel, water, and utilities for such properties; insurance on official motor vehicles abroad; advances of funds abroad; advances or reimbursements to other Government agencies for use of their facilities and services in carrying out the functions of the Commission; hire of motor vehicles for field use only; and employment of aliens; [$564,000]$\Lambda$. $510,000

(94 Stat. 96-98; 22 U.S.C. 1621-1645; 50 U.S.C. App. 2001-2017; Department of Justice Appropriation Act, 1987.)

Explanation of changes:

No substantive changes proposed.

Foreign Claims Settlement Commission

Salaries and expenses

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			Reprogrammings			1987 Supplementals Requested				1987 Appropriation Anticipated		
										Program			Pay & PERS			
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Amt.	Pos.	WY	Amt.
1. Adjudication of International Claims.....	9	9	$596	...	...	-$32	...	...	...	...	...	...	$7	9	9	$571
Total.....	9	9	596	...	...	-32	...	...	...	...	...	...	7	9	9	571

Foreign Claims Settlement Commission

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	9	9	$564
1987 Pay and retirement supplemental requested	...	...	7
1987 appropriation anticipated	9	9	571
Uncontrollable increases	...	...	47
Decreases	...	...	-108
1988 base	9	9	510

Estimates by budget activity	1986 Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Adjudication of International Claims.....	16	16	$670	16	10	$597	9	9	$571	9	9	$510	9	9	$510	...	...	...

Foreign Claims Settlement Commission

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Activity: Adjudication of International Claims.....	9	9	$571	9	9	$510	9	9	$510	...	...	...

Long-Range Goal: To make effective determinations of all unsettled claims of American nationals against foreign governments within the framework of Congressional modifications to the International Claims Settlement Act of 1949 and other pertinent statutes and to provide assistance to former and prospective claimants on past international and war claims related programs.

Major Objectives:

- To provide assistance to the Department of State in the presentation of United States claims before the United States-Iran Claims Tribunal at The Hague.
- To provide general information concerning past programs and to respond to requests about specific decisions the Commission has made on past claims.
- To advise other agencies and the Congress concerning potential future programs and to comment on pending legislation.
- To assist the Department of State in ongoing negotiations for the settlement of claims against foreign governments including East Germany, the Socialist Republic of Vietnam and Cuba.
- To assist the Department of the Treasury in making distributions on past awards.
- To provide executive departments and private attorneys with legal precedents issued by the Commission.
- To conduct pre-program planning of pending new programs.
- To respond to requests for policy determinations on matters relating to the settlement of international claims.

Base Program Description:

During 1988, the Commission will provide continuing service to former and prospective claimants on a total of 39 completed international and war claims related programs. This staff will also be providing advice on policy determinations, preliminary planning, evaluation of pending claims legislation and liaison with congressional committees considering legislation intended to provide compensation to new categories of claimants. At present the Commission is authorized by Public Law 99-93 to conduct a program for American losses under $250,000 in Iran, pending a new settlement agreement. Other areas of potential claims include Albania and the U.S.S.R., as well as additional losses in East Germany.

The Commission will serve in an advisory capacity to other government agencies in matters of policy on claims of United States citizens against foreign governments. The planned staff for the budget year will provide advisory services to potential claimants and their attorneys concerning actual or possible claims agreements or legislation authorizing future programs. During 1988, the Commission will provide technical assistance to the Department of State in its efforts to negotiate claims settlement agreements with foreign governments. Under the provisions of Section 620(e) of the Foreign Assistance Act of 1961, the Foreign Claims Settlement Commission is authorized to evaluate expropriated property upon the instructions of the President.

Under the War Claims Act of 1948, as amended, the Commission authorizes payments to American military prisoners of war captured by hostile forces in Southeast Asia during the Vietnam conflict. The Commission to date has granted awards to 736 prisoners of war or their survivors in the amount of $5,347,773; $229,337 to 41 civilian internees; and $69,675 to members of the crew of the USS Pueblo for a total of $5,645,785. The status of a small number of MIA's with prisoner of war classification remains to be determined by the Department of Defense. Upon receipt of these final determinations, this program will be completed.

Accomplishments:

The Commission will have completed a program under the Ethiopian Compensation Agreement of 1985 and title I of the International Claims Settlement Act of 1949, reviewing and investigating 45 claims of nationals of the United States asserting losses of property in Ethiopia as a result of nationalization, expropriation or other taking by the Provisional Military Government of Socialist Ethiopia. To date, the Commission has issued 17 awards totaling $10,554,916.46.

Pursuant to its authority under the War Claims Act, the Commission continued to make determinations of claims of survivors of prisoners of war in the Vietnam conflict.

Foreign Claims Settlement Commission

Salaries and expenses

Detail of Permanent Positions by Category
Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized Request	1988	
			Program Increases	Total
Attorneys (905)	5	2	...	2
General Administrative Clerical and Office Services (300-399)	8	4	...	4
Commissioners	3	3	...	3
Total	16	9	...	9
Washington	16	9	...	9
Total	16	9	...	9

Foreign Claims Settlement Commission

Salaries and expenses

Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Uncontrollable increases:			
1. One additional compensable day	...	...	$1
The annual salary rate for Federal employees is based on 260 paid days. FY 1988 has one more compensable day (262) than 1987 (261). (Permanent personnel compensation $326 - 260 = $1,254 plus $138 for benefits.)			
2. Annualization of Federal Employees' Retirement System Costs	...	...	15
This request provides for the additional costs in 1988 necessary to continue implementation of the Federal Employees' Retirement System Act of 1986, P.L. 99-335. This act established a retirement program for Federal civilian employees and postal workers hired after December 31, 1983 who are covered by social security, and for employees under the Civil Service Retirement System who choose to transfer into the new system. The calculations were determined from an OMB approved formula. Total annualization required is $15,000.			
3. Annualization of 1987 pay increase	...	...	5
This request provides for the annualization of the January 4, 1987 pay increase. The calculation of the amount required for annualization is based on 261 compensable days in 1987 and 68 paid days (October 1, 1986 through January 5, 1987) were not included in the pay raise amount of $9,000. Additionally, $4,500 of the 1987 pay requirement was absorbed. Total annualization required is $5,000.			
4. Within-grade increases	...	...	3
This request provides for an expected increase in the cost of within-grade increases and performance management and recognition system salary increases. This increase is generally consistent with increases experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $2,700 and benefits $300 = $3,000.)			

	Perm. Pos.	Work-years	Amount
5. GSA rent	...	...	$11
In 1987 the Rent System replaces the Standard Level User Charges (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $11,000 is required to meet our commitment to GSA.			
6. Federal Telecommunications System (FTS)	...	...	3
The General Services Administration has advised of a 16 percent increase in Federal Telecommunications System (FTS) Intercity costs for 1986. This increase is mainly due to unanticipated tariff increases, savings GSA had built into their original budget estimate which will not materialize and FY 1985 costs which were not billed by GSA last year. An increase of $3,000 over the 1987 based of $8,000 is requested.			
7. GPO printing costs	...	...	6
An additional $6,000 will be required in 1988.			
8. Employee data and payroll services	...	...	3
Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems maintenance and payroll accounting are based on the number of records maintained. The rate of $145.64 per record in FY 1986 will be raised to $155.76 per record for FY 1988. The change is based on anticipated uncontrollable cost increases of 6.9 percent for the operation of the Justice Employee Data Service.			
Total uncontrollable increases	...	...	47

	Perm. Pos.	Work-years	Amount
Decreases (Automatic non-policy):			
1. Reduction for change in hourly rate	...	...	-$2
Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985 required that the computation of annual salary rates be based on 2,087 hours rather than 2,080. The same amount that was reduced in 1984 and restored in 1986 is requested for reduction in 1988.			
2. Reduction in Health Benefits	...	...	-1
The Federal Employees' Health Benefits Act (Public Law 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1986, the Department's actual contribution to health insurance decreased approximately six percent due primarily to reduced carrier rates.			
3. Nonrecurring costs for completed program	...	...	-105
The Commission completed a program under the International Claims Settlement Act of 1949 against the Provisional Military Government of Socialist Ethiopia.			
Total decreases	...	...	-108
Total, adjustments to base	...	...	-61

Foreign Claims Settlement Commission

Salaries and Expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1987 Estimate Positions & Workyears	1987 Estimate Amount	1988 Estimate Positions & Workyears	1988 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level V, $70,800	3		3		...	
GS/GM-14, $45,763-59,488	1		1		...	
GS/GM-13, $38,727-50,346	1		1		...	
GS-11, $27,172-35,326	1		1		...	
GS-9, $22,458-29,199	2		2		...	
GS-5, $14,822-19,268	1		1		...	
Total, appropriated positions	9	$375	9	$381	...	$6
Pay above stated annual rates	...	1	...	2	...	1
Lapses	-1	-46	-1	-77	...	-31
Savings due to lower pay scales for part of year	...	-5	...	...	...	5
Net full-time permanent	8	325	8	306	...	-19
Other than permanent: Part-time employment	1	25	1	25	...	...
Total, workyears and personnel compensation	9	350	9	331	...	-19
Average ES Salary		...		...		
Average GS/GM Salary		$27,667		$28,333		
Average GS/GM Grade		10.2		10.2		

Foreign Claims Settlement Commission

Salaries and expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class		1987 Estimate		1988 Estimate		Increase/Decrease	
		Workyears	Amount	Workyears	Amount	Workyears	Amount
11	Personnel compensation:						
11.1	Full-time permanent	8	$325	8	$306	...	-19
11.3	Other than permanent	1	25	1	25	...	...
	Total	9	350	9	331	...	-19
12	Personnel benefits		42		52		10
13	Benefits to former personnel		72		...		-72
21	Travel and transportation of persons		5		4		-1
23.1	Rental payments to GSA		55		66		11
23.3	Communications, utilities, and miscellaneous charges		20		23		3
24	Printing and reproduction		10		16		6
25	Other services		10		11		1
26	Supplies and materials		6		6		...
31	Equipment		1		1		...
	Total obligations	9	571	9	510	...	-61
Relation of obligations to outlays:							
	Obligated balance, start-of-year		113		98		
	Obligated balance, end-of-year		-98		-87		
	Outlays		586		521		

OPENING STATEMENT

Mr. SMITH. We have the Chairman of the Commission, Mr. Futey. Do you have a statement?

Mr. FUTEY. Yes, I do. Mr. Chairman, I am pleased to have the opportunity to appear before you in support of our 1988 budget request. If I may, I would like to summarize my previously prepared and submitted statement and ask that such prepared statement be made part of the record.

Mr. SMITH. Okay, we will do that at this point.

[The prepared statement of Mr. Futey follows:]

DEPARTMENT OF JUSTICE

STATEMENT OF CHAIRMAN BOHDAN A. FUTEY
FOREIGN CLAIMS SETTLEMENT COMMISSION
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE
DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE,
THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to appear before you in support of our Fiscal Year 1988 budget request for $510,000; nine permanent positions and nine workyears. This is a decrease of $61,000 from the anticipated appropriation of $571,000 in Fiscal Year 1987. The $510,000 requested includes an amount of $383,000 for personnel costs and benefits and $127,000 for support costs.

The reduction in the Commission's 1988 budget request is the direct result of initiatives taken in 1987 to reduce the legal and clerical staff of the Commission and its office space.

During 1988, the Commission will be involved in determining claims related to prisoners of war in the Vietnam conflict under Public Law 91-289, certifying to the Secretary of the Treasury awards granted on claims for losses in Ethiopia and assisting the Department of State in ongoing negotiations for a settlement of American losses in East Germany (GDR) previously adjudicated by the Commission. The Commission will also continue to assist U.S. claimants and the Department of State with claims against Iran, presently pending before the Iran-U.S. Claims Tribunal at The Hague.

By the end of 1987, the Commission will have completed the adjudication of claims of American citizens for losses in Ethiopia. These claims are authorized under title I of the International Claims Settlement Act of 1949, as amended, and a lump sum compensation agreement between the United States and Ethiopia reached on December 19, 1985. The agreement provides that Ethiopia will pay $7 million between 1986 and 1991. To date, the Commission has acted on 39 claims and granted awards totalling over $11,000,000.

In 1988, the awards granted will be certified to the Secretary of the Treasury for pro rata payments out of the funds available.

The Commission will continue in 1988 to act on claims based on the internment of U.S. military and civilian personnel by hostile forces in Vietnam. Such claims still arise, from time to time, as information becomes available to the Department of Defense regarding prisoners of war.

The Commission has participated in and continues to assist in ongoing talks with representatives of the East German government in an effort to obtain a settlement for American losses in the GDR. The Commission has adjudicated claims against East Germany in the total principal amount of approximately $78 million, plus interest of 6% per year from the dates of the losses to the date of a future settlement agreement.

Should a settlement be obtained, as in the case of other settlements including the recent one with Ethiopia, 5 percent of the funds received would go to the U.S. Treasury to offset the

Commission's expenses. To date, the amount recovered in this manner has exceeded the Commission's expenses since its inception in 1954.

I would like to call to the Subcommittee's attention the fact that the Commission is unique in that its operating expenses are only partially, if at all, ultimately borne by the United States taxpayers. In most instances the authorizing statutes have provided for the payment of the Commission's awards from funds obtained either from the liquidation of foreign assets blocked in the United States or from foreign governments by negotiation of claims settlement agreements. The statutes have provided for the deduction of a certain percentage from such claims funds for deposit as miscellaneous receipts in the United States Treasury to defray the administrative expenses of the Commission and the Department of the Treasury in carrying out the programs. The total obligations of the Commission and its predecessors from the beginning of 1950 through the end of 1986 have amounted to approximately $27 million, whereas $32 million has been recouped.

As in the past, the Commission will continue to provide information to the Congress and other agencies on past program activities and will continue to assist in future negotiations and efforts to obtain legislation when required, and to provide compensation to U.S. citizens who have not yet received any payments for their losses caused by violations of international law.

Pursuant to Public Law 99-33 passed in August 1985, the Commission has been directed to adjudicate some 2,600 claims of U.S. nationals against Iran, contingent upon a lump sum settlement agreement between the United States and Iran. Such an agreement has not yet been achieved and therefore it is impossible at this time to project the time period when these claims will be adjudicated. Even without a settlement agreement, the Commission will continue to be in close contact with the Department of State in providing information and legal precedents to assist in the presentation of the claims which are presently before the United States-Iran Claims Tribunal.

The Commission and the Department of State are also aware of current efforts to obtain legislative relief for a small number of American citizens, who, through no fault of their own, were not able to present sufficient evidence to establish their losses in Czechoslovakia during the 3-year time frame established by Congress for the determination of such claims under Public Law 97-127. The Commission had requested information from the Government of Czechoslovakia on these claims, as provided for under a 1981 claims agreement. However, due to delays by the Government of Czechoslovakia in responding to these requests, evidence which now establishes a number of compensable claims was not received until the statutory deadline for completion of the program had expired. Should the efforts to obtain authority for the Commission to reconsider these claims be successful, the Commission would adjudicate them and certify awards to the

Treasury Department for payment, on an equal footing with previous awardees, out of residual funds remaining from the 1981 settlement of $81.5 million received from Czechoslovakia.

Finally, the Commission is aware of possible claims for property losses of U.S. nationals in the Soviet Union and Albania. However, at present, there is no imminent prospects of any settlement for these losses.

In addition to our other functions, in 1988 the Commission proposes to publish a second volume of its Decisions and Annotations, which would bring up to date its precedent decisions on international claims. The new publication will include information on some twelve claims programs since 1968, including the Cuban, China, East German (GDR), Czechoslovakian (Second), Vietnam and Ethiopian claims programs.

Mr. Chairman, this concludes my statement on behalf of the Foreign Claims Settlement Commission's approoriation request for Fiscal Year 1988. I will be happy to answer any questions you or the other Members of the Subcommittee may have.

Mr. FUTEY. We are requesting $510,000 for nine positions and nine work years in 1988. This is a decrease of $61,000 from the anticipated appropriation of $571,000 in 1987. The $510,000 requested includes an amount of $383,000 for personnel costs and benefits and $127,000 for support costs. The reduction in the Commission's 1988 budget request is the direct result of initiatives taken in 1987 to reduce the legal and clerical staff of the Commission and its office space.

During 1988 the Commission will be involved in determining claims related to prisoners of war in the Vietnam conflict under Public Law 91-289, certifying to the Secretary of the Treasury awards granted on claims for losses in Ethiopia, and assisting the Department of State in ongoing negotiations for a settlement of American losses in East Germany previously adjudicated by the Commission.

The Commission will also continue to assist U.S. claimants and the Department of State with claims against Iran presently pending before the Iran-U.S. Claims Tribunal at The Hague.

With respect to prisoners of war, the Commission, in addition to handling any new claims, will continue to provide information from our records to ex-prisoners of war, their families, and veterans organizations. This information, which is only available from Commission records, is used by veterans and their families to obtain benefits under State and Federal programs.

Since the Commission finished its adjudication of claims of American citizens for property losses in East Germany, the Department of State has conducted ongoing negotiations with representatives of the GDR for settlement of claims in the total principal amount of $78 million plus interest from the dates of loss to the date of the claims settlement agreement.

To assist the Department of State in these negotiations, the Commission staff has provided information on specific claims and has participated directly in the negotiations by explaining the reasoning behind its determinations under international law to the GDR representatives. In 1988 we will continue this vital function.

Finally, the Commission has been authorized by Public Law 99-33, enacted during the summer of 1985, to adjudicate some 2,600 claims of American citizens for losses in Iran. While this activity is contingent upon a lump-sum settlement agreement between the United States and Iran, the Commission staff is providing and will continue to provide technical support to the Department of State in formulating the terms of such an agreement so that the claims of U.S. citizens may be fairly and expeditiously determined by the Commission.

As you know, the settlement of American claims with foreign countries not only provides funds for the payment of Commission's awards, but also provides funds to defray the Commission's expenses. To date, the United States Government has recouped approximately $5 million more than the Commission's expenses since 1950. Additional settlements with East Germany and Iran will provide further offsetting funds. The adjudication of Ethiopian claims programs will bring $350,000 to the United States Treasury.

In addition to our other functions in 1988, the Commission proposes to publish a second volume of its decisions and annotations

which would bring its previous work up to date by including recent precedent decisions on international claims. This new publication will include information on some 12 claims programs since 1968, including the Cuban, Chinese, East German, Second Czechoslovakian, Vietnamese, and Ethiopian claims programs.

This volume will be immensely helpful to the Commission staff in future programs, claimants, scholars, and other Federal agencies seeking detailed information on the Commission's adjudications under international law.

Mr. Chairman, this concludes my statement. I will be happy to answer any questions.

ETHIOPIAN CLAIMS

Mr. SMITH. What is the nature of the claims in Ethiopia?

Mr. FUTEY. It is the settlement of American interests and American property taken right after the revolution. The agreement was concluded in December of 1985 for the sum of $[illegible] million.

VIETNAM CLAIMS

Mr. SMITH. Are you still receiving any Vietnam claims?

Mr. FUTEY. We concluded the program with Vietnam a year ago, and there haven't been any payments made yet because there are no assets. No settlement agreement has been concluded. However, there are blocked assets in the United States that can be used at some time to make the awards.

Mr. SMITH. What do they total, do you know?

Mr. FUTEY. I believe they are presently in the neighborhood of $170–$180 million. Are you talking about blocked assets in the United States?

Mr. SMITH. No, the amount of the claims.

Mr. FUTEY. The value of the claims is in the neighborhood of $100 million.

Mr. SMITH. And what is the amount of the assets, did you say?

Mr. FUTEY. Well, there are blocked assets in the total amount of about $175–$180 million.

IRANIAN CLAIMS

Mr. SMITH. What about Iran? What did you say about Iran?

Mr. FUTEY. Well, there has been a statute passed by Congress in the summer of 1985 authorizing the Foreign Claims Settlement Commission to adjudicate some 2,600 claims, the so-called small claims presently pending before the Iran-U.S. Claims Tribunal at The Hague. Congress has authorized the Foreign Claims Settlement Commission to adjudicate these claims whenever a settlement agreement is negotiated between the United States and Iran. That agreement has not been concluded yet.

Mr. SMITH. You don't know what these claims will total?

Mr. FUTEY. The small claims total about $200 million. The Department of State represents American claimants on claims below $250,000. For all claims above $250,000, the claimants have their own counsel at The Hague.

Mr. SMITH. Okay. Thank you very much.

Mr. FUTEY. Thank you.

[The questions for the record and answers submitted thereto, follow:]

72-165 O—87——25

QUESTIONS FROM MR.NEAL SMITH

Foreign Claims Settlement Commission

Question:

In 1987, the Commission reduced its staff from 16 positions down to nine. What was the workload impact on the staff of this reduction?

Answer:

The Commission closed out its Vietnam Claims Program in February of 1986. Because the current Ethiopian Claims Program is smaller, the remaining staff was able to absorb the additional workload without difficulty. Some of the 16 positions abolished to reach the nine current positions had not been filled during 1986. The reduction in force began in August of 1986 and ended in October of 1986, with two of three required terminations of employees taking place in 1986. One employee terminated was eligible for immediate retirement, another was able to transfer to a position in another division of the Justice Department and the remaining attorney took advantage of an opportunity for paid study in West Germany through a private fellowship program.

Question:

Has any backlog of claims developed due to the inability of the reduced staff to process them as quickly?

Answer:

No backlog of claims has developed and the Commission is on target to complete successfully the Ethiopian Claims Program by the deadline of September 30, 1987 as previously announced in the Federal Register.

Question:

Are there any more plans for staff reduction?

Answer:

There are no more planned reductions in staffing. We feel that, with the past reductions, the Commission has the minimum staff necessary to carry out its functions in 1988, if no additional programs are initiated during the coming fiscal year. However, should the Commission's workload decrease significantly after the completion of the Ethiopian Claims Program and should no new claims programs materialize, we will have to review our staffing requirements. Because the remaining Commission staff members have relatively long Federal service, it is not possible to effect large savings by reductions in force. Other means of dealing with a reduction in workload, such as transferring employees to other positions in the Justice Department, of course, would be given first consideration.

Question:

Do you foresee any large scale claims actions anywhere in the world which may impact on your program?

Answer:

There is a possibility that new programs for American losses in Albania, the Soviet Union or the Baltic States could be authorized in the not-too-distant future. Also, there have been a number of inquiries relating to claims for losses in Libya. We are living in an unstable world with a constant threat of governments coming into power which may well expropriate American owned property and require a mechanism to seek compensation for such losses.

THURSDAY, MARCH 12, 1987.

UNITED STATES MARSHALS SERVICE

WITNESSES

STANLEY E. MORRIS, DIRECTOR
ROBERT J. HAYES, BUDGET OFFICER
MICHAEL J. ROPER, DEPUTY COMPTROLLER FOR BUDGET

Mr. DWYER [presiding]. Good morning.

Continuing with our review of the Department of Justice, we will now hear testimony from the United States Marshals Service. The Marshals Service requests $216,092,000 in fiscal year 1988, an increase of 31 percent over fiscal year 1987 amounts adjusted for proposed supplementals.

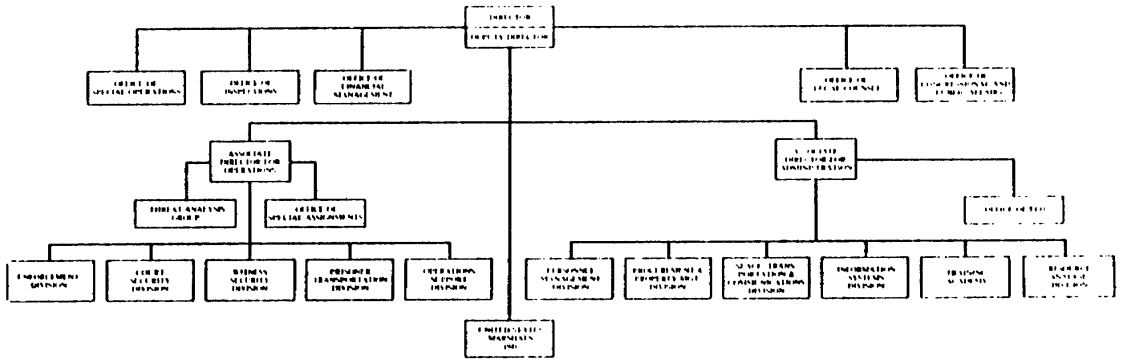
We will insert in the record at this point the Marshals Service fiscal year 1988 budget justification.

[The justifications follow:]

Department of Justice
United States Marshals Service
Salaries and expenses
Estimates for Fiscal Year 1988
Table of Contents

Item	Page Number
Organization Chart	1
Summary Chart	2
Justification of Proposed Changes in Appropriation Language	6
Crosswalk of 1987 Changes	8
Summary of Requirements	9
Summary of Resources by Program	10
Justification of Program and Performance	11
Financial Analysis - Program Changes	39
Priority Rankings	40
Detail of Permanent Positions by Category	41
Summary of Adjustments to Base	42
Justification of Adjustments to Base	43
Summary of Requirements by Grade and Object Class	47

DEPARTMENT OF JUSTICE
UNITED STATES MARSHALS SERVICE
ORGANIZATION CHART



Approved: Edwin Meese III Date: 28 Jan 86
Attorney General

United States Marshals Service

Salaries and expenses

Summary Statement

Fiscal Year 1988

For 1988, $216,092,000, 2,948 permanent positions, and 2,933 full-time equivalent workyears are requested for the Marshals Service appropriation. This is a net increase of $51,242,000, 224 positions, and 139 FTE workyears above the 1987 appropriation anticipated.

The Marshals Service is charged with protecting basic Constitutional rights by maintaining the security and integrity of the judicial process. The primary responsibilities for protecting the federal judiciary and endangered witnesses, executing warrants and court orders, managing seized assets, and maintaining custody of unsentenced prisoners are central to this mission. Because of the Service's unique role in the administration of justice, it must respond to workload demands largely beyond its control. What the Service does, or fails to do, in response to these demands affects all facets of the judicial process.

It is primarily because of external factors that the Service requests an additional $18.2 million and 224 new positions for 1988 program increases. Ongoing concern for enhanced security and prisoner productions, as well as added responsibilities resulting from the government's drug initiative and mandated program changes all contribute to this need.

Mindful of the difficult economic situation confronting the nation, our request reflects reduced costs wherever possible and still allows us to perform our mandated functions in the competent, professional manner the public expects. The resources requested address these problems in a comprehensive and coordinated fashion. The major activities and resource requirements are summarized below.

Witness Security

The Marshals Service's Witness Security Program remains the government's most effective way to obtain testimony against members of organized crime and drug traffickers. In trials where protected witnesses testify, four out of five result in conviction. However, providing for the care and safekeeping of these individuals is extremely costly. By 1988, it is expected there will be over 5,900 witnesses in the program, a 14 percent increase above the 1986 level. Moreover, witnesses and family members must receive the support they need to survive in a protected environment. To ensure the continued safety of these witnesses and their family members, and to operate the new Washington, D.C. area safesite and assessment center requires 36 new positions and $1,141,000 in 1988.

Fugitive Investigations and Court Orders

As additional funds are appropriated each year to develop cases and try members of criminal organizations and narcotics violators, more resources are needed to apprehend those who flee the criminal justice system. Often those who escape return to their former practices. Marshals Service involvement in international extraditions continues to grow, and is projected to increase to 250 extraditions in 1988, 84 percent above the 1986 level. People we extradite are among the most publicized and dangerous in the world. To ensure adequate resources are available to meet these needs, the Marshals Service requests an additional $300,000.

Judicial Security

Protection of members of the federal judiciary and court facilities is the Marshals Service's highest priority. However, protecting the over 1,800 federal judges and magistrates and almost 500 federal court facilities is becoming more and more difficult. Not only does the time devoted to criminal proceedings continue to grow -- it is projected to rise 20 percent from 1986 to 1988 — the types of cases we now face are becoming increasingly dangerous and complex. Trials involving drug dealers and organized crime are now assuming international proportions. And the threats and violence displayed by groups such as the Macheteros, the Aryan Nation and the May 19th Communist organization demand extreme security be provided. Threats against the judiciary are projected to increase one-third from 1986 to 1988.

When placed in the context of more and longer court proceedings, and a growing number of threats and violence, the Marshals Service needs become obvious. To meet the increased responsibilities in this area the Marshals Service requests 160 positions and $8,126,000 for judicial security, including 42 positions and $2,263,000 for enhanced security as a direct result of the government's accelerated drug apprehension efforts.

ADP and Telecommunications

The data requirements placed on the Marshals Service are staggering. Each year 80,000 warrants are received, some 170,000 prisoners transported, over 250 threats analyzed, and about 250,000 checks issued and 170,000 vouchers certified. Yet, full automation is lacking. Presently, less than a third of the districts can use the Warrant Information Network, and only 12 have automated accounting. Moreover, enhanced management information is necessary to improve prisoner transportation and analyze threats in a timely fashion.

Only through improvements in automation and modernization are savings in time and effort realized. For 1988, four new positions and $1,341,000 will be required to improve the automated threat analysis capability; for enhanced automated ticketing and maintenance scheduling for NPTS; and for similar improvements in warrants information, prisoner data and accounting.

Field Support and Training

The Marshals Service has assembled the most comprehensive and sophisticated training program to develop the best operational deputies possible. Specialized classes in officers survival and protective services help prepare the workforce for the complex and dangerous Marshals Service missions. No increased resources are requested for 1988.

Handling of Federal Prisoners

The growing overcrowding of federal jails and the increased length of prisoner stays continue to present increased demands on the Marshals Service. Each prisoner is presented to court an average of three times while under Marshals Service custody. Given the surge in the prisoner population -- the Service has about a third more prisoners in its custody than it did just two or three years ago -- we now have prisoner transportation requirements which are increasing 10-15 percent annually. Arrests generated as a result of the government's new drug initiative will only accelerate this trend.

National Prisoner Transportation System (NPTS) improvements are a major component of the Marshals Service's 1988 budget submission. In that year, NPTS movements could easily reach 100,000. An average NPTS movement costs about $100, almost seven times less expensive than a commercial airflight. NPTS is also much safer and secure for the public, our personnel and the prisoners themselves.

The 1988 budget request includes an additional $4,047,000 and 10 positions for NPTS. This is for essential improvements including deployment of a second large aircraft, performance of major maintenance on existing aircraft, and introduction of efficiencies in ticketing and scheduling. Improvements such as these are necessary if the Service is to continue to meet the workload demand in this area and realize even greater efficiencies.

An additional 8 positions and $1,106,000 are required for prisoner handling requirements associated with the relocation U.S. attorney offices and grand jury rooms in Washington, D.C. These facilities are now located in the new Judiciary Center building, and require on-site Marshals Service presence to ensure appropriate safeguards are followed in transporting prisoners between this building and the D.C. District and Superior Courts, and for necessary detention facilities.

Organized Crime Drug Enforcement

The Marshals Service coordinates fugitive felon investigations, witness relocation and protection, prisoner transportation, judicial security, and asset forfeiture in support of the Task Forces. Service personnel also actively participate in drug, financial, and other Task Force investigations. The effect of the Task Forces on the workload of district office support personnel, and increases requested to support this workload, are described in the Fugitive Investigations and Court Orders, Judicial Security, and Handling of Federal Prisoners programs. No increased resources are requested for 1988.

Management and Administration

This program provides necessary services to support the complex and diverse missions of the Marshals Service. To improve administrative and program coordination, for 1988 the Service requests six new positions and $600,000. Also, an additional $1,540,000 is required in 1988 for renovations to holding cells and prisoner handling areas. These renovations are critically needed to improve security and safeguard public access areas.

Protection of Witnesses

For 1988, the Marshals Service again proposes that the "Protection of Witnesses Program" in the Fees and Expenses of Witnesses appropriation be transferred to the Marshals Service appropriation. Witness protection costs such as subsistence and travel for witness/family visits, and safesite construction are directly related to the Witness Security program operated by the Marshals Service. They are also distinctly different from the fact and expert witness costs typically associated with the Fees and Expenses appropriation. It makes more sense, both programmatically and administratively, to include both Protection of Witnesses and Witness Security functions under the Marshals Service appropriation. No increased resources are requested for 1988.

777

United States Marshals Service

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1988 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For necessary expenses of the United States Marshals Service; including acquisition, lease, maintenance, and operation of vehicles and aircraft, [$142,000,000] of which not to exceed $1,350,000 may be made available for planning, construction, renovation, maintenance, remodeling, and repair of buildings and the purchase of equipment incident thereto for protected witness safesites;	$216,092,000
	:Provided, That notwithstanding the provisions of the title 31 U.S.C. 3302, the Director of the United States Marshal Service may collect fees and expenses for the service of civil process, including: complaints, summonses, subpoenas and similar process; and seizures, levies, and sales associated with judicial orders of execution; and credit not to exceed $1,000,000 of such fees to the appropriation to be used for salaries and other expenses incurred in providing these services

(18 U.S.C. 1963, 3053, 3059, 3192, 4008, 3521-3528; 19 U.S.C. 1613; 21 U.S.C. 881; 28 U.S.C. 510, 524, 561-562, 565, 567, 569-572, 1921; 31 U.S.C. 3324; 48 U.S.C. 1424(b), 1614(c), 1694(b)(3); Federal Rules of Civil Procedure 4; Federal Rules of Criminal Procedure 4, 9; Supplemental Admiralty Rules; Department of Justice Appropriation Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(b); additional authorizing legislation to be proposed.)

(Omnibus Drug Supplemental Appropriations Act of 1987, as included in P.L. 99-500 and 99-591, Title II.)

Explanation of Changes:

1. The Protection of Witnesses program of the Fees and Expenses of Witnesses appropriation is proposed to be be transferred to the U.S. Marshals Service appropriation in 1988. The above provisions are identical to those proposed for the Marshals Service and the Protection of Witnesses program in 1987.

2. The second proposed language change would clarify the U.S. Marshals Service's authority to collect fees related to its service of civil process, admiralty seizures and similar functions as provided for in section 39 of Public Law 99-646. The change also would permit such fees to be credited to this appropriation to be used for salaries and other expenses incurred in providing these services.

United States Marshals Service

Salaries and expenses

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			Reprogrammings			1987 Supplementals Requested Program			Pay	1987 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Amt.	Pos.	WY	Amt.
1. Witness security	301	279	$23,530	301	279	$23,061	...	...	...	...	...	...	$733	301	279	$23,794
2. Fugitive investigations & court orders	757	816	42,925	757	816	42,412	...	...	...	...	...	...	1,781	757	816	44,193
3. Judicial security	396	399	23,164	396	399	25,495	...	...	...	...	...	...	773	396	399	26,268
4. ADP and telecommunications	8	8	7,935	8	8	7,060	...	...	...	...	...	$405	22	8	8	7,487
5. Field support and training	173	167	5,156	173	167	5,094	...	...	...	...	...	...	200	173	167	5,294
6. Handling of Federal prisoners	960	995	48,069	960	995	47,510	...	...	...	...	...	...	1,590	960	995	49,100
7. Organized crime drug enforcement	13	13	732	13	13	723	...	...	...	...	...	...	29	13	13	752
8. Management and administration	116	117	7,737	116	117	7,645	...	...	...	...	...	...	317	116	117	7,962
9. Protection of witnesses	...	...	17,511	...	...	...	...	...	...	...	...	...	...	...	...	...
Total	2,724	2,794	176,759	2,724	2,794	159,000	...	...	...	...	...	405	5,445	2,724	2,794	164,850

Congressional Appropriation Actions

The 1987 Congressional appropriation closely approximated the President's budget. The principle difference was the disallowance of the transfer of Protection of Witnesses from the Fees and Expenses appropriation.

Supplementals

The supplemental request for $5,445,000 meets increased pay and retirement requirements pursuant to P. L. 99-500 and 99-335. The supplemental request for $405,000 provides for the additional costs of FTS service.

United States Marshals Service
Salaries and expenses
Summary of Requirements
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Department of Justice Appropriation Act, 1987	...	...	$142,000
Omnibus Drug Supplemental Appropriation Act of 1987	...	...	17,000
1987 as enacted	2,724	2,794	159,000
1987 Pay and retirement supplemental requested	...	...	5,445
1987 Program supplemental requested	...	...	405
1987 appropriation anticipated	2,724	2,794	164,850
Transfers to and from other accounts:			
Transfer of Protection of Witnesses Program from "Fees & expenses of witnesses"	...	...	17,511
Transfer of FASS group from General Administration	...	...	42
Uncontrollable increases	...	14	15,868
Decreases	...	...	-380
1988 base	2,724	2,808	197,891

	1988 Base			1988 Estimate			Increase/Decrease		
Estimates by Program	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Witness Security	301	279	$23,794	301	279	$25,912	337	297	$27,053	36	18	$1,141
Fugitive Investigations & Court Orders	757	816	44,193	757	826	48,417	757	826	48,717	...	...	300
Judicial Security	396	399	26,268	396	401	28,396	556	492	36,522	160	91	8,126
ADP & Telecommunications	8	8	7,487	8	8	8,099	12	10	9,440	4	2	1,341
Field Support & Training	173	167	5,294	173	167	5,966	173	167	5,966	...	...	...
Handling of Federal Prisoners	960	995	49,100	960	997	53,799	978	1,008	58,952	18	11	5,153
Organized Crime Drug Enforcement	13	13	752	13	13	912	13	13	912	...	...	...
Management & Administration	116	117	7,962	116	117	8,772	122	120	10,912	6	3	2,140
Protection of Witnesses	...	...	...	...	...	17,618	...	...	17,618	...	...	...
Total	2,724	2,794	164,850	2,724	2,808	197,891	2,948	2,933	216,092	224	125	18,201

	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total
EOY Employment:												
Full-time perm	2,724	18	2,724	2,724	18	2,724	2,948	18	2,996	224	...	224
Other-than perm	171	...	171	171	...	171	171	...	171	...	...	...
Total	2,895	18	2,913	2,895	18	2,913	3,119	18	3,137	224	...	224

United States Marshals Service

Salaries and expenses

Summary of Resources by Program
(Dollars in Thousands)

Estimates by Program	1986 Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Witness security	307	273	$21,369	307	262	$21,178	301	279	$23,794	301	279	$25,912	337	297	$27,053	36	18	$1,141
Fugitive investigations & court orders	684	760	39,747	684	731	39,385	757	816	44,193	757	826	48,417	757	826	48,717	...	...	300
Judicial security	378	385	23,438	378	370	23,350	396	399	26,268	396	401	28,396	556	492	36,522	160	91	8,126
ADP & telecommunications	8	8	5,852	8	8	5,805	8	8	7,487	8	8	8,099	12	10	9,440	4	2	1,341
Field support & training	173	167	4,754	173	161	4,717	173	167	5,294	173	167	5,966	173	167	5,966	...	...	...
Handling of federal prisoners	945	984	43,165	945	947	42,802	960	995	49,100	960	997	53,799	978	1,008	58,952	18	11	5,153
Organized crime drug enforcement	13	13	670	13	13	665	13	13	752	13	13	912	13	13	912	...	...	...
Management and administration	116	117	7,155	116	113	7,099	116	117	7,962	116	117	8,772	122	120	10,912	6	3	2,140
Protection of witnesses	...	...	...	...	...	...	...	...	...	...	...	17,618	...	...	17,618	...	...	...
Total	2,624	2,707	146,150	2,624	2,605	145,001	2,724	2,794	164,850	2,724	2,808	197,891	2,948	2,933	216,092	224	125	18,201
Other Workyears:																		
Holiday		...			...			...			...			...			...	
Overtime:																		
AUO		...			...			...			...			...			...	
Other		327			327			327			327			327			...	
Total compensable workyears		3,034			2,932			3,121			3,135			3,260			125	
Reimbursable Workyears		54			54			54			54			54			...	
Total workyears		3,088			2,986			3,175			3,189			3,314			125	

United States Marshals Service

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: U.S. Marshals	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Witness security	301	279	$23,794	301	279	$25,912	337	297	$27,053	36	18	$1,141
Fugitive investigations and court orders	757	816	44,193	757	826	48,417	757	826	48,717	...	...	300
Judicial security	396	399	26,268	396	401	28,396	556	492	36,522	160	91	8,126
ADP & telecommunications	8	8	7,487	8	8	8,099	12	10	9,440	4	2	1,341
Field support and training	173	167	5,294	173	167	5,966	173	167	5,966	...	...	...
Handling of federal prisoners	960	995	49,100	960	997	53,799	978	1,008	58,952	18	11	5,153
Organized crime drug enforcement	13	13	752	13	13	912	13	13	912	...	...	...
Management and administration	116	117	7,962	116	117	8,772	122	120	10,912	6	3	2,140
Protection of witnesses	...	...	...	...	...	17,618	...	...	17,618	...	...	...
Total	2,724	2,794	164,850	2,724	2,808	197,891	2,948	2,933	216,092	224	125	18,201

This budget activity provides vital support to the Federal Government's administration of the justice system in the areas of operational support and protection of the federal judiciary including court security; execution of fugitive investigations and court orders; seizure, management and disposal of assets subject to judicial forfeiture; protection of key government witnesses; custody and transportation of unsentenced federal prisoners; liaison with the OCDE Task Forces; contracting with local detention facilities for the housing of unsentenced prisoners; and enforcing federal law under the direction of the Attorney General.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Witness security.....	301	279	$23,794	301	279	$25,912	337	297	$27,053	36	18	$1,141

Long-Range Goal: To administer the Department of Justice's Witness Security program serving those witnesses, potential witnesses, and their dependents whose lives are in jeopardy as a result of testimony against organized crime, drug dealers, and other criminal elements.

Major Objectives:

To protect those endangered witnesses and their families who have been approved for program services by the Department of Justice's Office of Enforcement Operations, Criminal Division.

To ensure that endangered witnesses may testify against individuals being tried for organized crime, drug activity and other violent criminal activities without fear of retribution.

To assist the witnesses in becoming self-sustaining through relocation under new identities.

Base Program Description: Since its inception, the Witness Security program has been the government's most effective way to obtain testimony against and ultimately convict major organized crime members and drug dealers. This program encourages testimony by providing the secure environment and support services necessary to eliminate the fear that such testimony would jeopardize the safety of the witnesses and their families.

Authority is provided in Title 28, U.S. Code, Section 524, to use Department of Justice appropriations for the payment of compensation and expenses of witnesses and informants, at the rates authorized or approved by the Attorney General or the Assistant Attorney General for Administration. Department of Justice OBD Order 2110.42, dated July 19, 1983, prescribes the procedure for establishing a person as a protected witness and gives the United States Marshals Service the responsibility for the security and maintenance of witnesses and their dependents. The Comprehensive Crime Control Act of 1984 also commits program resources to provide physical security for secure child visitation between program children and non-program parents, and requires court-ordered child support for children not relocated under the Witness Security program.

Accomplishments and Workload: Accomplishments of the Witness Protection program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Newly accepted witnesses	189	217	342	390
Witnesses funded/maintained	847	781	1,500	1,560
Average months witnesses are funded	13 to 17	13 to 17	13 to 17	13 to 17
Total witness workload	4,961	5,181	5,523	5,913*
Total participant workload**	11,349	11,566	11,908	12,298

Note: 1987 and 1988 workload includes impact of the government's accelerated drug apprehension efforts. As many as 100 new witnesses will enter the program in 1987 and 1988 as a direct result of this effort.

*Updated since submission of President's budget.
**Includes principal witnesses and family members.

The Witness Security program continues to produce dramatic results; four out of five cases involving the testimony of protected witnesses have resulted in convictions. Criminal cases now pending underscore the importance of this program.

At present, a number of major drug dealers and organized crime members await trial. For example, the "Medellin Cartel," a Colombian drug organization said to be the largest cocaine smuggling organization in the world, is facing four separate prosecutions in which the most damaging testimony will be provided by two protected witnesses. Ten members of the "Banditos Motorcycle Club" will also be prosecuted on narcotics charges based on the testimony of a protected witness. Moreover, the Luchese, Gambino, and Bonnano organized crime families are under prosecutions which are expected to convict 86 career criminals. Important testimony provided by 27 protected witnesses will do much to determine the outcome. And in Boston, two protected witnesses will implicate seven members of the "Winter Hill Gang," a group of terrorists involved in a full-range of criminal activities, including supplying weapons to the Irish Republican Army.

It is estimated that in 1988, 5,913 witnesses will be in the program, a 14 percent increase above the 1986 level. This is a result of the government's continued efforts to fight organized crime and the accelerated efforts to convict major drug dealers. As the Administration dedicates more manpower and funds to counter these criminal organizations and vast narcotics enterprises, the value of the Witness Protection program becomes obvious. The recent murder of Barry Seals, a drug informer who testified against numerous drug traffickers and refused our offer of protection, demonstrates the measures criminal elements will take to prevent testimony. Had Seals accepted our protection, he would still be alive, and available to testify.

In 1986, the Marshals Service received 217 new witnesses, reactivated 96 witnesses for funding because of new threats or other reasons, and funded an average of 344 witnesses per month. Additionally, the Witness Security program provided protection and/or funding for 781 principal witnesses, or some 1,800 persons including family members. Since 1971, about 12,000 witnesses and family members have participated in the Witness Security program.

If witnesses are to survive the rigors of protected life, they must be prepared for such life. The Witness Security program provides extensive and ongoing support for protected witnesses. This includes a comprehensive orientation for both witnesses and family members explaining the hardships involved in relocating and assuming a new identity, and continued assistance in adapting to the precautions required once in the program.

Program Changes: New witnesses and those already on-board must be protected in a secure environment, and remain available and willing to testify against organized crime elements. The fact that these responsibilities are increasing in volume and complexity cannot be ignored. An additional 26 criminal investigators, one employment specialist, nine administrative support positions, and $1,141,000 are needed for 1988 to meet the complex and costly needs of protected witnesses and to operate the new assessment center and safesite in the Washington, D.C. area. This center removes the danger imposed by having prospective witnesses and family members processed in their district of residence. It will provide the safe atmosphere and maximum security needed for proper assessment and orientation.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Fugitive investigations and court orders.....	757	816	$44,193	757	826	$48,417	757	826	$48,717	...	...	$300

Long-Range Goal: To investigate and arrest fugitive felons, other federal violators, foreign fugitives in the United States, and U.S. fugitives living outside the U.S.; to carry out international extraditions; to provide a timely response to all major injunctions; to execute court orders effectively; and to improve the "net return" from departmental asset forfeitures by employing sound business practices.

Major Objectives:

To initiate criminal investigations to apprehend fugitive felons and other federal violators, and to produce prosecutive or arrest reports on all felony arrests.

To respond to requests from foreign countries for assistance in investigating and apprehending foreign fugitives in the United States.

To coordinate, fund, and implement the extradition of federal fugitives back to the United States, and in some instances, to return foreign fugitives to the requesting country.

To provide a highly trained civilian force, known as the Special Operations Group (SOG), which responds to emergency situations; to provide law enforcement and security assistance to other federal and State agencies designated by the Attorney General; and to enforce major injunctions of the U.S. Courts.

To provide timely service of process, court orders, and warrants in support of the federal judiciary.

To seize, maintain, manage, and properly dispose of assets seized by and forfeited to the Federal Government.

Base Program Description: Through this program, the Marshals Service conducts criminal investigations designed to locate and apprehend federal fugitive felons and execute arrest warrants on behalf of those federal agencies which lack the power of arrest. In coordination with INTERPOL-U.S. National Central Bureau, the Marshals Service also investigates and apprehends foreign fugitives in the United States and performs international extraditions.

The Comprehensive Crime Control Act of 1984 added a new dimension to the base fugitive workload. Now, investigative reports must be produced in increased quantities to meet the requirement which penalizes all who violate the conditions of pretrial release. The Act also permitted an increase in the number and complexity of government criminal forfeitures and seizures by codifying into the Controlled Substances Act and the Racketeer Influenced and Corrupt Organizations (RICO) statute many of the legal concepts recognized in civil forfeiture law. The change in criminal forfeiture law affects the payment of mortgages and liens incurred between the illegal act and seizure of the property by the government. This program ensures that court-ordered seizures, restraining orders, and trustee arrangements are carried out effectively. The Assets Forfeiture Fund has quickly become one of the most advanced and effective tools in the government's fight against organized crime and drug trafficking.

A 1984 Memorandum of Understanding among the FBI, DEA, INS, and Marshals Service established the National Asset Seizure and Forfeiture (NASAF) program. NASAF field units are located in each OCDE Task Force city, and in Seattle. Under the direction of Marshals Service headquarters staff, NASAF field offices provide support services and technical assistance to OCDE Task Force and Marshals Service district personnel, manage the Department's Assets Forfeiture Fund, and dispose of assets seized by other Department of Justice agencies.

Beyond the efforts required to secure, inventory, appraise, store, and manage properties, the Marshals Service participates in extensive pre-seizure planning with investigative, prosecutive and seizing agents, and the courts. NASAF pre-seizure guidelines emphasize that the investigative agency and U.S. Attorney must be careful in establishing the scope of the planned seizure, and that a comprehensive inventory and plan for post-seizure management be prepared, so that post-seizure management problems are minimized. The January 1985 seizure of assets of a multi-million dollar marijuana distribution operation in Leesburg, Virginia, demonstrates the need for, and benefits of, pre-seizure planning. Lessons learned from this case are now standard elements in pre-seizure planning, especially as these seizures continue to grow in volume and complexity. NASAF's efforts focus primarily on complicated seizures of real property and businesses, and on high volume categories of seized property. Also, the Marshals Service now accepts custody of all properties seized administratively by the FBI but not targeted for official use; cash and real property subject to administrative seizure by DEA; and a good portion of vehicles seized by INS along the southern border of the United States. At the end of 1986 the total value of property under seizure exceeded $385 million.

Along with the nationwide fugitive investigations, the Marshals Service places a special emphasis on the "15 Most Wanted" fugitive felons. Fugitive cases which make that list are given special funding, national attention, and mobilized task forces work to ensure quick apprehension.

Marshals Service Fugitive Investigation Strike Teams (FIST) continue to bring federal, State and/or municipal law enforcement officers together in a coordinated effort to apprehend fugitives. FIST remains the safest, most cost-effective way yet devised to apprehend large numbers of fugitives. Almost 20,000 fugitives have been apprehended through this program this program since 1981.

The Special Operations Group (SOG), a specially trained group of Deputy U.S. Marshals designed to respond to emergency situations, is also included in this program. Under such situations, this group can quickly mobilize and employ a variety of techniques including mass arrest, confrontation management, airborne operations, scuba, anti-sniper and explosive ordinance device operations. This permits rapid and safe control of a large number of critical situations from large-scale civil disturbances to terrorist incidents and hostage situations.

The Marshals Service is expanding its foreign liaison outside INTERPOL and utilizes law enforcement contacts made through the State Department to enhance cooperation with foreign governments in returning fugitives to our custody. The extradition of U.S. fugitives from foreign countries is a responsibility which has become especially dangerous in light of increasing foreign hostility towards U.S. agents.

This program is also responsible for the following: the service of the majority of process emanating from the federal courts and regulatory agencies; providing law enforcement assistance in nuclear weapons movement through reimbursable agreements with the Joint Cruise Missile Project Office of the Department of Defense and the U.S. Air Force; and providing specific assistance to State and local law enforcement agencies.

The principal authorities governing the activities of this program are found in the following: 11 U.S.C. 11; 28 U.S.C. 569 and 570; 18 U.S.C. 3193 and the Speedy Trial Act of 1974, which mandates due diligence in the prompt execution of warrants. The Comprehensive Forfeiture Act, as a part of the Comprehensive Crime Control Act of 1984, strengthens departmental authority to seize, manage, and dispose of assets subject to both administrative and judicial forfeiture.

Accomplishments and Workload: Fugitive Investigations and Court Orders program workload is presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Fugitive felon warrants received	10,945	11,645	12,200	12,800
USMS arrests/clears of fugitive felon cases	9,748	10,604	10,600	10,600
Warrants received (all categories)	76,447	77,120	78,600	82,530
USMS clears (all categories)	55,687	55,719	55,700	55,700
Felon arrests (all categories)	13,297	14,303	14,270	14,270
Warrants unexecuted end of year (all categories)	42,171	48,267	55,000	66,000
International extraditions*	112	136	200	250
Government property seizures (judicial only)	3,596	6,090**	7,500**	8,000**
Private property seizures	1,773	1,952**	2,000**	2,000**
Process handled	382,732	296,000	300,000	300,000

* Excludes FIST-related extraditions.
**Updated since submission of President's budget.

The Marshals Service continues to place special emphasis on the investigation and apprehension of these fugitives with histories of violence, organized crime and narcotics activities. In 1986, nearly 56,000 warrants--including over 20,000 felony warrants--were cleared by the Marshals Service. This resulted in the Service's arrest of over 14,000 felons. The use of $70,000 of informant funds led to 60 felony arrests.

The Marshals Service concluded its most successful FIST operation in 1986, capturing over 3,500 fugitive felons in the southwestern United States and Mexico. FIST operations remain the safest and most cost-effective way to apprehend large numbers of fugitives. The 1986 FIST was the lowest-cost FIST operation to date, costing only $495 per arrest. Last year, the Marshals Service also began mini-FIST operations in various cities, capturing another 5,000 felons. This brings the FIST felon arrest grand total to 19,770.

In 1986, 10 felons on the Marshals Service "15 Most Wanted" list were apprehended. Two of the most dangerous were bank-robbers/kidnappers William Dougherty and Terry Conner, who operated an incredible network of criminal enterprises while at-large. They were arrested in mid December. The Marshals Service also recaptured Samantha Lopez and Ronald McIntosh after they made a daring helicopter escape from a federal facility in Pleasanton, and arrested Eugene Gesuale, a member of the Genovese crime family responsible for operating a multi-million dollar narcotics ring.

Marshals Service extradition responsibilities are increasing not only in volume (from 136 in 1986 to 250 in 1988) and cost, but in the danger and complexity of the cases involved. People we extradite are among the most publicized and dangerous in the world. Among the criminals the Marshals Service recently extradited are several major drug traffickers operating throughout the Caribbean and apprehended in Colombia, including Jose Antonio Cabrera-Sarmiento and Severo Escobar. Requisite security, travel precautions and coordination with other federal agencies and foreign governments make this activity both dangerous and costly.

In a similar matter, the Marshals Service was contacted by the Internal Revenue Service (IRS) to assist in the apprehension and return to the United States of James Bryan, considered by IRS to be one of their most wanted fugitives. Bryan was responsible for a $40 million illegal tax shelter scheme. The USMS and IRS coordinated an effort to lure Bryan from Costa Rica into Belize where the USMS gained the cooperation of the Belize government in expelling Bryan to Miami. Upon his arrival in Miami, Bryan was arrested by USMS on his outstanding indictment.

Also in 1986, the Marshals Service quadrupled the number of districts using the new Warrant Information Network (WIN). This automated system, now fully operational in 28 locations around the country, assists in locating fugitive felons and will eventually provide a base of warrant information for Marshals Service investigators.

The process demands on the Marshals Service remain constant. Last year, the workload generated by paupers and court orders was received at a rate of approximately 7,000 per month. In addition, the Marshals Service receives an average 15,000 pieces of process per month from other government sources.

Section 39 of Public Law 99-646 permits the Marshals Service to collect fees related to the service of civil process, admiralty seizures and similar functions. These fees will be credited to the Salaries and expenses appropriation to be used for expenses incurred in providing these services. The proposed Marshals Service 1988 appropriation language has been amended to reflect this change.

During 1986, the Department's asset seizure and forfeiture initiative continued to prove its importance as a powerful tool for dealing with major criminal enterprises. The Department performed increasingly complex financial investigations,

multiple asset seizures, and faced difficult and time consuming asset management problems. Valuable operating businesses, such as the Plant Recording Studio in California; the Accurate Brass and Aluminum Foundry in Wisconsin; and Pardon My Garden, a florist and nursery in Massachusetts; were successfully managed under seizure and disposed of when forfeited. Major forfeitures and sales included the forfeiture of Certificates of Deposit worth more than $7 million in Houston, Texas; a consolidated auction of jewelry and other valuables in Chicago, Illinois, which earned $600,000; and the forfeiture of the Shelburne Glebe, an historic estate in Loudoun County, Virginia, whose sale by the Marshals Service brought $4.1 million, approximately $2 million more than the appraised value.

However, the largest single seizure took place as part of a major Organized Crime Drug Enforcement (OCDE) Task Force operation entitled "Operation Pedestal". This operation involved the simultaneous arrest of 31 persons for violations of drug statutes and the seizure of 16 properties in 8 locations in and around San Juan, Puerto Rico. These properties included houses, condominiums, stash houses, a farm, and a slum complex. Without the benefit of the Asset Forfeiture Fund to ensure adquate funds to inventory, secure and manage properties, the Department could not perform operations such as these.

In 1986 the number of real properties in custody again doubled. As of November 1986, 863 real properties were under seizure. The total value of these properties is in excess of $175 million.

Program Changes: As additional funds become available to develop cases and try members of criminal organizations and narcotics violators, more resources are needed to apprehend those who flee the criminal justice system. Often those who escape return to their former practices. Marshals Service involvement in international extraditions continues to grow, and is projected to increase to 250 extraditions in 1988, 84 percent above the 1986 level. To ensure adequate resources are available to meet these additional extraditions and meet the rising costs and security precautions required in performing this function, the Marshals Service requests an additional $300,000 in 1988.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Judicial security.....	396	399	$26,268	396	401	$28,396	556	492	$36,522	160	91	$8,126

Long-Range Goal: To ensure the integrity of the federal judicial system by providing security at all places in which federal judicial business is conducted, and to eliminate fear of intimidation, retribution, or physical harm on behalf of all judicial participants.

Major Objectives:

To establish a baseline assessment of existing security safeguards at the nearly 500 judicial facilities across the nation; to evaluate new and changing security requirements as they arise; to recommend security measures and provide technical security expertise and advice to U.S. marshals and the federal judiciary on security procedures; and to provide the latest state-of-the-art security equipment.

To provide personnel and security systems to protect all high-threat trials, other criminal proceedings, and certain civil proceedings, where warranted, through the ongoing assessment of the security requirements for all judicial proceedings.

To establish and maintain a threat assessment and risk management methodology and provide adequate and comprehensive 24 hour-a-day security services to members of the federal judiciary, including employees and families threatened as a result of performing their official duties, as well as for all sequestered juries, grand juries, judicial conferences, and judicial workshops.

To provide appropriate numbers of contract security officers and security equipment items to adequately secure all judicial facilities and those judicial proceedings not covered by deputy U.S. marshals.

Base Program Description: This program is designed to maintain the integrity of the judicial process by ensuring that each of the 480 federal judicial facilities are secure and that all federal judges, magistrates, prosecutors and participants are able to conduct judicial proceedings in an open and safe environment. Over the past few years, this responsibility has become increasingly difficult. The number of judges and magistrates has grown, and the proceedings they hold have not only increased in number, but last longer, and are more dangerous and complex. Moreover, the Administration's initiatives against organized and drug-related crime increases the chances of courtroom violence, threats, escapes and intimidation of judicial officials. These groups have demonstrated both the capability and willingness to commit acts of violence to meet their needs. Ensuring the continued safety of this process requires a comprehensive approach to judicial protection.

The Marshals Service uses four program elements in providing judicial security. The Technical Assistance element provides highly trained judicial security specialists to assist U.S. marshals, prosecutors, and judges in evaluating security risks and planning and implementing appropriate responses. Additionally, technical assistance is provided through coordinated planning with and training of other federal, State, and local law enforcement agencies.

The Court Security element uses personnel and proven systems and procedures to ensure the integrity of judicial process. Appropriate security measures include screening courtroom participants, packages, and spectators with x-ray equipment and metal detectors outside federal courtrooms; searching courtrooms for weapons or contraband prior to and after proceedings; controlling the seating of courtroom spectators and members of the press; isolating the criminal defendants from the public; and ensuring that an appropriate number of deputy U.S. marshals are assigned to the courtroom to preclude or minimize any disruption that could reasonably be anticipated.

The Protective Services element provides information concerning threats to Marshals Service personnel and to those who are under the protection of the Marshals Service. A centralized Threat Analysis Group supports operations involving judicial security, high-threat trials, witness security, and enforcement operations (especially the execution of warrants involving violence-prone groups), by preventing rather than allowing acts of violence and intimidation. This comprehensive threat analysis capability provides an indispensable tool in countering highly organized, dangerous groups which frequently rely on terrorism and violence to stop judicial proceedings against them.

When a threat emerges, the FBI is immediately contacted to investigate, and the Threat Analysis Group becomes involved. Notification of the threat is also given to other appropriate federal, State, and local law enforcement agencies. The following protective service precautions are also performed: access and admittance to the threatened individual's office is limited through the use of closed circuit television monitoring, buzz lock entry control systems, and controlled mail or package reception; information is gathered about the individual's medical history, personal physician, emergency hospital facilities and food restrictions; the individual is given a bulletproof vest, if warranted; and, the individual's travel patterns are analyzed and home security assessed to determine what precautions are needed. The extent and duration of protective services for individuals vary with the severity of the threat and the capability of its being carried out.

Personal security services are most effective through the close monitoring and controlling of the immediate environment of the threatened invdividual. A protective services assignment always involves at least two deputy U.S. marshals. If the assignment requires 24-hour coverage, the assignment may involve using six or more deputy U.S. marshals, depending upon the threat circumstances and whether family members must also be protected.

The Judicial Facility Security element utilizes authority delegated by the General Services Administration to contract with the private sector for highly qualified contract guards called Court Security Officers (CSOs) and for the installation and maintenance of physical security equipment. All direct costs for this program element are funded by the judiciary through a Memorandum of Understanding with the Administrative Office of the United States Courts (AOUSC). Under this arrangement, the Marshals Service provides an initial allocation of CSOs in 93 of the 94 judicial districts. These CSOs monitor both fixed and roving checkpoints throughout the court facilities. A limited special deputation is conferred upon CSOs which allows them to enforce federal laws and regulations at the duty site, including using X-ray machines and metal detectors to prevent illegal weapons and contraband from being taken into the judicial areas. Recently, the duties of CSOs were expanded to require their presence as security officers at judicial proceedings which do not warrant the presence of a deputy U.S. marshal.

The second vital aspect of this program element is contracting for the acquisition, installation, and maintenance of physical security equipment. The Judicial Security program has been designated by the Deputy Attorney General as falling under the purview of Office of Management and Budget Circular A-109. Under the Delegation of Procurement Authority issued by the GSA, the Marshals Service awarded the first part of a two-phase contract for national court security systems on September 21, 1984. This contract will lead to a single national contract to satisfy the judicial security systems requirement.

The effectiveness of the Marshals Service's management of the Court Security Officers program has been praised by Federal judges, who unanimously agree that the Judicial Facility Security program element has significantly increased the overall security of the U.S. Courts. A recent example illustrates this point. On August 20, 1986, a letter bomb addressed to Federal Judge Paul Benson was sent to the Federal Courthouse in Fargo, North Dakota. One of our Court Security Officers recognized something suspicious and took immediate steps to isolate the package and protect the judge. Only through the CSO's quick action was tragedy averted.

Principal statutory authority for judicial security is contained in 1-Stat 73-87-Judiciary Act of 1789; Title 28 U.S.C. Section 569, Powers and Duties Generally (of U.S. Marshals); and Title 28, C.F.R. Subpart T, Section 0.111, General Functions. These statutes authorize and empower the U.S. Marshals Service and make it principally responsible for security for the federal judiciary. Judicial security is enforced along guidelines established by the Attorney General and endorsed by the Chief Justice of the United States.

Accomplishments and Workload: The workload of the Judicial Security program is presented in the following table:

	1985	1986	Estimates 1987	1988
Criminal trial bench hours	95,462	106,882	117,097	128,290
Civil trial bench hours	174,845	169,219	176,225	176,964
Other proceedings bench hours	139,308	146,471	153,662	161,206
Magistrate proceedings	419,163	445,575	481,268	519,821
Security systems projects - required	751	731	700	560
Security systems projects - completed	501	731	700	560
Threats received	240	207	250	275
Protective services details performed	57	53	60	75
Judical conferences	39	42	45	49

Judicial security remains the Marshals Service's highest priority. The Marshals Service has had to provide more and higher levels of protection to ensure this safety. During the past year, extraordinary security measures were employed at proceedings involving the Macheteros, a Puerto Rican Independence/ Terrorist group; a Neo-Nazi group called The Order; the May 19 Communist group; and other similar organizations.

Federal court facilities and judges frequently are targets of violent threats, and destruction of court facilities has occurred and will continue. For example, the Macheteros are accused of using anti-tank weapons to attack the U.S. Federal Building in Hato Rey, Puerto Rico; damaging a U.S. Navy bus in Sabana Seca, Puerto Rico, killing nine U.S. military personnel in the process; and destroying U.S. military aircraft. The Service has already provided extraordinary protective service details for Puerto Rican magistrates threatened by this group and must maintain utmost security for their upcoming trial in Connecticut, where they are accused of attacking a Wells Fargo armored car depot. This group and others employ a new type of warfare, which means resources for new weapons and tactics are required. The recent bomb attempt against U.S. District Judge Paul Benson underscores this point.

The Comprehensive Crime Control Act and similar initiatives have had a profound effect on the Marshals Service's judicial security workload. Since passage of the CCCA in 1984, the number of criminal proceedings and their length of time have increased dramatically. The time devoted to such proceedings is projected to rise another 20 percent from 1986 to 1988. Bail Reform and other provisions mean that sensitive proceedings now last longer, are more dangerous and use a disproportionately high amount of resources.

Overall, for the 12-month period ending June 30, 1986, judicial security was provided for some 7,000 criminal proceedings. The number of criminal cases filed in the U.S. district courts rose from 39,500 in 1985 to 41,500 cases in 1986, an increase of 5 percent. This represents a workload of 72 cases for each authorized judgeship. Criminal case terminations rose 6 percent to 39,328 cases. Since filings were greater than terminations, the increase in pending caseload continued a six-year trend. On June 30, 1986, there were 24,000 pending criminal cases, almost 10 percent more than a year ago.

Drug Abuse Prevention and Control Act cases numbered 7,000 in 1986, up 18 percent from the previous year. AOUSC indicates one-third of all illicit drug trials last four days or more, largely because of the complexity in prosecuting these cases. Security is also more difficult because of the resources available to these people and their proven willingness to use violence and intimidation to accomplish their objectives.

cases for other serious offenses also increased. For example, weapons and firearms cases increased 15 percent, forgery and counterfeiting cases rose 12 percent, and fraud cases were up 9 percent.

It should be noted, however, that these figures fail to reflect the workload and accomplishments adequately. Because of this Administration's initiatives against organized crime and illegal drugs, the Marshals Service has had to provide more and higher levels of security than ever before.

The types of cases range from civil proceedings involving prisoner petitions, selected civil rights cases, tax suits, environmental impact cases, and political figures to the most dangerous of criminal proceedings involving motorcycle gangs, drug dealers and organized crime figures. In addition to maintaining security at all criminal trials, and some civil trials, the Marshals Service must provide security at U.S. magistrate hearings, bankruptcy proceedings and, as a result of recent changes in the U.S. Code, at U.S. tax trials and hearings before the U.S. Court of International Trade in the Southern and Eastern Districts of New York.

In addition, threats against the judiciary are projected to increase by one-third from 1986 to 1988. Of the 207 threats recorded in 1986, 170 were against judges and magistrates, 23 against U.S. Attorneys and 14 against other staff members. The Marshals Service must be prepared to encounter the increase and severity of threats against members of the judiciary and federal property. To fail to respond only encourages these groups to perpetuate violent activities to meet their goals.

Program Changes: When placed in the context of more and longer court proceedings, additional responsibilities such as the Tax Court and the Court of International Trade, as well as as a growing number of threats and violence, the Marshals Service judicial security needs become critical. To meet the increased responsibilities in this area requires appropriate resources. The 1988 budget includes a request for 160 positions and $8,126,000 for enhanced judicial security. Of this total, $5,863,000 and 118 positions are required to meet the increase in ongoing demands. Another $2,263,000 and 42 positions are requested to meet the new security requirements directly resulting from the government's accelerated effort to capture major drug criminals and bring them to trial.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
ADP and telecommunications....	8	8	$7,487	8	8	$8,099	12	10	$9,440	4	2	$1,341

Long-Range Goal: To develop and implement automated and telecommunications systems to support all operational, administrative, and managerial functions of the Marshals Service, and to continuously provide staff support for all automated systems.

Major Objectives:

To broaden implementation of the radio and telecommunications systems in order to strengthen operational law enforcement capabilities.

To implement and improve systems of automation including the District Automation Project, prisoner population management, warrant information network, district accounting, and office automation functions as well as various systems to support the numerous operational missions of the Marshals Service.

Base Program Description: The Marshals Service telecommunications systems provide rapid data/voice communications via the latest state-of-the-art equipment, including telephones, facsimile transceivers, and visual display terminal systems as well as radios and base stations to support all Marshals Service missions.

The ADP support function is designed to implement and maintain automated systems for the administrative and operational activities necessary to support the Marshals Service mission and permit field offices to perform in a cohesive and efficient manner. This is accomplished by systems development and hardware acquisition for all Marshals Service entities.

Accomplishments and Workload: The workload of the ADP and Telecommunications program is presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
JUST and NLETS teletype messages.....	1,110,100	1,122,286	1,130,300	1,138,200
NCIC clears and hits.....	4,946	5,847	6,432	6,818
Districts automated:				
District Accounting.....	8	12	33	76
Prisoner Population Management.....	8	9	33	76
Warrant Information Network.....	3	28	48	76

The Marshals Service telecommunications systems have been upgraded with new state-of-the-art visual display terminal equipment to provide full service to our field locations and support Marshals Service operations. Where permitted, every Marshals Service terminal user now has the capability to access State data banks via the National Law Enforcement Telecommunications System (NLETS). Other systems presently being accessed are: 1) National Crime Information Center (NCIC), 2) Treasury Enforcement Communications System (TECS), and 3) Warrants Information Network (WIN).

Installation of a number of secure telephone units has been completed within the Marshals Service. Various districts throughout the Marshals Service have received upgraded telephone systems, such as: 1) Eagle, 2) Merlin, and 3) 1A2.

The 1986 accomplishments of the ADP management program are: 1) completion of the management review of the District Automation Project including selection of distributed processing as the appropriate technical alternative and cost benefit justification; 2) implementation of the Warrant Information Network system in a total of 28 districts; 3) implementation of the District Accounting System in four additional districts for a total of 12; 4) development of automated procedures within the District Accounting System to capture financial data on seized property; 5) ongoing maintenance and enhancements to the Employee Skills Profile, Merit Promotion, Deputy Recruiting, and Jail Contracts Management Systems.

Program Changes: The continued success of Marshals Service operations depends on the availability and assessment of timely and accurate information. With more than two-thirds of the districts still lacking significant automation, delays affect every facet of field operations. Each year the Service receives over 80,000 warrants, transports 170,000 prisoners, analyzes 250 threats and issues over 250,000 checks and certifies another 170,000 vouchers. Not only does automation generate savings in time and effort, the continued safety and effectiveness of these operations depends on a significant commitment to automation. Life-threatening situations must be analyzed quickly and thoroughly.

A program increase of $1,341,000 and four positions will provide effective automation for increased timeliness and efficiency in intelligence analysis, accounting reports, prisoner management and managerial assessments. Specifically, $233,000 and one position are requested to develop and implement an automated system to support the Threat Analysis Group (TAG). Enhanced intelligence analysis is necessary to dispel threats by using a sophisticated data base capable of producing timely, accurate and complete data about threats and other criminal activities affecting Marshals Service activities. The Marshals Service also requests $701,000 and two positions for continued implementation of the District Automation Project including prisoner population management, warrant information systems and district accounting. It is expected that 33 districts will be automated by the end of 1987, and 76 by the end of 1988. Another $407,000 and one position are needed to enhance the existing ADP system for the National Prisoner Transportation System (NPTS) to realize improvements in ticket scheduling and maintenance tracking and to accommodate the increased workload of moving federal prisoners.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Field support and training...	173	167	$5,294	173	167	$5,966	173	167	$5,966	...	...	...

Long-Range Goal: To develop the most comprehensive and sophisticated training possible for all employees and to support the day-to-day operational mission of the Marshals Service in the area of financial management.

Major Objectives:

To develop and maintain the Marshals Service's human resources by providing an ongoing comprehensive set of internal and external training courses to achieve a level of excellence in the Marshals Service's personnel.

To collect and disburse funds in a timely and efficient manner.

Base Program Description: This program is responsible for providing financial support and developing, conducting and overseeing the training of Marshals Service personnel.

The Financial Support Services program area is responsible for the prompt payment of debts and for collection and deposit of funds due the government by law or court order.

In response to the ever-increasing demands placed on the Marshals Service by the judicial and executive branches, the Marshals Service Training program provides initial, refresher and specialized courses of instruction which produce a highly competent operational and administrative workforce.

Training is essential to the Marshals Service because all employees do many different jobs that must be done efficiently, professionally and safely. Marshals Service training focuses not only on the operational responsibilities of the deputy U.S. marshal, but also on the important management and administrative jobs that Service personnel perform each and every day.

Accomplishments and Workload: The workload of the Field Support and Training program is presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Check Issuances	242,783	254,922	268,100	268,000
Vouchers Certified	155,201	162,961	171,000	171,000
Basic Deputy Marshal Training	192	405	192	240
Advanced Training (number receiving training)	398	339	495	456
Supervisory Management Training	90	91	220	220
Court Security Orientation	703*	205*	522*	192*
Special Operations Group Training	160	78	175	175
Interagency/Non-Gov't. Training	750	700	750	800
Fed/State/Local Training Assistance	90	470	152	202
FIT Coordinators Training	130	65	100	100

* Cost is reimbursed by the Administrative Office of the U.S. Courts.

In the area of Financial Support Services, the Marshals Service issued various directives to improve the accounting and reporting system for the collection and disbursement of funds in the district offices. The district offices processed 162,961 vouchers and issued 254,922 checks amounting to $308 million during 1986. Collections for this period were approximately $148 million.

Training remains an essential ingredient in the quality of a law enforcement agency and the Marshals Service has developed the most effective, comprehensive, state-of-the-art, training program in its long history. A combination of high-tech equipment, dedicated instructors, and priority attention to the training mission make Marshals Service personnel among the best trained law enforcement officers in the world. During 1986, the Marshals Service Training Academy trained 1,741 agency and other law enforcement personnel in 53 separate schools and conferences. This consisted of 29,846 student training days at the Federal Law Enforcement Training Center (FLETC), a 38 percent increase over the 1985 level. In 1986, there were nine Criminal Investigator Schools and seven follow-up Basic Deputy Schools, compared to eight of each in 1985. Specialized advanced training conducted included the following: 1 Fugitive Investigation Course; 5 Advanced Deputy Training classes that incorporated Protective Services training; 2 Witness Security Inspector Basic classes; 1 Administrative and Financial Management Seminar; 5 State and Local Court Security Seminars; 2 State and Local Fugitive Investigators courses; 1 State and Local Protective Services seminar; 5 Court Security Officer Orientation classes; 1 Court Security Seminar; 1 Firearms Instructor Training program; 1 Prisoner Detention School; and 1 U.S. Marshal Orientation. The Training Academy also arranged for 10 Marshals Service personnel to attend the Federal Law Enforcement Training Center's Basic Instructor Training program, while five others attended the Drivers Instructor Training program and 22 Deputy U.S. Marshals attended the Law Enforcement Spanish Training Program. In addition to those 37 individuals, 16 Marshals Service personnel attended a Detention Officers Training program conducted by the Bureau of Prisons.

The average length of time for each course at the Academy was 16 days. The average cost per course was $17,092, and the average cost per student was $520.

The establishment of the Special Operations Group (SOG) Training Center at Camp Beauregard, Louisiana, in 1984, provided the Marshals Service with a facility to train operational personnel in Officer Survival Techniques and related advanced law enforcement training courses. The State Department has requested that SOG assist with the training of foreign law enforcement personnel through the Anti-Terrorism Assistance program. During 1986, SOG trained on a reimbursable basis the Federal Judicial police of Mexico, and the Costa Rican Rural Guard for the State Department. In cooperation with the Department of the Interior, SOG also trained the Virgin Islands and St. Croix Police and National Guard. SOG continues to receive requests seeking training assistance in such areas as officer survival tactics, marksmanship, organizing a tactical unit, assaults and barricades, and teaching operational planning. Such training not only produces tangible benefits for foreign law enforcement, it improves cooperation and goodwill, directly benefiting our international responsibilities, such as extraditions.

The Employee Development Division administers the Service's management and administrative training. In 1986, 61 managers and supervisors attended a one-week seminar on personnel and financial management techniques, and 30 first level supervisors attended a supervisory management seminar. Sixty-five Coordinators were trained to support the Fitness-in-Total Program (FIT) which was implemented in 1985. Currently, there are almost 200 FIT coordinators Service-wide who provide the physical conditioning training our personnel need to meet the demands of our law enforcement responsibilities.

Program Changes: No program changes are requested.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Handling of federal prisoners..	960	995	$49,100	960	997	$53,799	978	1,008	$58,952	18	11	$5,153

Long-Range Goal: To ensure expeditious, economical, and secure methods for the custody, receipt, processing, production and transportation of federal prisoners and to acquire and maintain sufficient and acceptable detention space for federal prisoners in non-federal facilities.

Major Objectives:

To obtain adequate and sufficient detention space in federal court cities to permit the efficient and cost-effective daily production of federal prisoners in accordance with court schedules.

To efficiently receive and process all federal prisoners remanded to custody and move and transport prisoners in a safe and secure manner within court-imposed deadlines.

To expand the National Prisoner Transportation System (NPTS) capabilities, further reduce costly commercial modes and increase transportation services for other agencies (such as the Bureau of Prisons and the Immigration and Naturalization Service) on a reimbursable and cost-effective basis.

To reduce staff time, both regular and overtime, travel costs and jail expenses associated with the production and transportation of prisoners by improving scheduling and processing techniques and maximizing the utilization of mass transportation systems.

To develop and maintain an on-line prisoner management information system to provide the Marshals Service with the capability to locate, track and monitor federal prisoner populations to provide economy and efficiency in transportation expenses and to produce prisoner reports required for financial management.

To accomplish all on-site jail inspections in order to measure contract facilities' level of compliance with State, local and national detention standards and to assist such facilities in designing and implementing projects to improve substandard conditions of confinement, thus reducing court orders and inmate litigation.

To successfully administer the Cooperative Agreement Program and Excess Property Program in order to obtain guaranteed detention space from qualified contract facilities in federal court cities.

Base Program Description: This program supports the federal judicial system through its responsibility for: (1) the receipt, administrative processing, and production for judicial proceedings of all prisoners in Marshals Service custody; (2) the transportation and movement of federal prisoners; (3) the NPTS; and (4) the supervision of unsentenced prisoners.

Receipt and Processing - Individuals arrested or detained for violation of federal statutes by any law enforcement officer are brought before a magistrate for one or more detention hearings. Upon completion of the initial detention hearing, the prisoner is remanded to the custody of the Marshals Service until such time as the charges are dismissed; the prisoner is released on bond or personal recognizance; or is tried, acquitted, or convicted and delivered to an institution for service of the sentence. Each individual arraigned is processed by the Marshals Service. Processing includes the assignment of a prisoner control number, fingerprinting and photographs, establishment of criminal and personal data records, property records, medical records and other data. Inquiries are made through the National Criminal Information Center (NCIC) to determine if there are other outstanding charges. Requests for name and fingerprint checks are forwarded to the Federal Bureau of Investigation. Each day, prisoners are moved to and from contract or federal detention facilities and district holding cells for production in accordance with court calendars, and for outpatient medical care and hospitalization as required.

Transportation and Movement - Federal prisoners are transported and moved within and between districts for study, observation and competency examinations; delivery to designated institutions for service of sentence; as well as for transfer between federal institutions. Such moves must be accomplished in accordance with court directives in a secure and cost-effective manner. The current modes of transporting federal prisoners include automobile, bus, van, and air. Short distance prisoner movements are routinely completed by district personnel in government vehicles. The long-distance movements are centrally controlled to ensure the maximum number of prisoners are moved in the most efficient and cost-effective manner possible.

NPTS - Long distance prisoner movements are accomplished through NPTS which is composed of airlift and supporting bus, van and small plane feeder systems. When NPTS cannot meet court imposed deadlines due to limitation of air routes and limited frequency of airlifts, alternative usage of regularly scheduled commercial air service and chartered aircraft must be made. The scheduling of prisoner movements is completed through coordination of data received from 94 judicial districts and 41 Federal Prison System institutions. Management information, including the number of trips performed and prisoners moved, travel, guard, and overtime obligations, and mode of travel utilized is collected. The Marshals Service also coordinates and schedules the majority of the sentenced prisoner transfers between Federal Prison System institutions.

Supervision of Unsentenced Prisoners - The supervision of unsentenced prisoners function has the responsibility for the acquisition of adequate and sufficient detention space for federal prisoners in custody in non-federal facilities located in or near federal court cities. This program also administers the Cooperative Agreement and Federal Excess Property programs which were specifically designed to improve the level of inmate services, halt the loss of jail space, and obtain guaranteed space for prisoners in federal court cities.

Detention space is obtained through the negotiation, award and administration of an estimated 825 interagency agreements and contracts with State and local governments which generate an annual requirement for approximately 1,100 on-site jail inspections. Jail inspections are designed to ascertain compliance with established national detention standards and to identify those conditions of confinement which are substandard and could result in prisoner legal actions against the jail and the Marshals Service

As a result of severe overcrowding, an ever increasing tide of prisoner litigation, and court orders on substandard conditions of confinement, the Marshals Service has experienced a serious decline in the number of local jails in metropolitan areas which are willing to continue to house federal prisoners. Since 1980, a total of 263 State and local facilities had terminated or severely restricted space for federal prisoners. The result was a significant increase in the number of unsentenced federal prisoners who had to be diverted to already overcrowded federal institutions or outlying rural jails. Since 1979, the number of prisoners housed in federal facilities has increased by 55 percent and federal institutions are, at present, approximately 47 percent over their rated capacity. It is interesting to note that the 13 Federal prison system facilities most frequently utilized by the Marshals Service are currently 62 percent over their rated capacity. Where federal detention space is unavailable, districts must produce much of their displaced prisoner load from outlying facilities, which in turn generates a drain on agency personnel and transportation resources. Such overcrowding also negates the recent gains of the Cooperative Agreement program, since this overflow population is housed in State and local facilities. The government's accelerated effort to apprehend drug traffickers will exacerbate the jail space problem. In order to produce prisoners for court, deputy U.S. marshals are required to travel several hours to these jails, often on overtime status, at the beginning of the day and repeat the process at the end of the court day. From 1979-1986, the number of operational workyears devoted to this essential function increased by 71 percent. The opportunity for prisoner escape, highway accidents, and deputy fatigue increases dramatically with the distances traveled.

The Comprehensive Crime Control Act of 1984, continues to have a significant impact on Marshals Service prisoner production and detention programs and related workload. From 1984 to 1986, the Marshals Service's average daily population increased 36 percent. From 1985 to 1986, prisoner productions increased six percent, contract jails days increased 14 percent, and the average stay per prisoner increased six percent. The bail reform provisions of the Act resulted in fewer prisoners being released on bond or self-recognizance and, in turn, increased the requirement for secure escort and prisoner production for judicial proceedings. The growth in Marshals Service prisoner loads and production requirements has also resulted in a significant increase in the level of operational resources required for this function. Overall, operational workhours increased 18 percent from 1985 to 1986.

Accomplishments and Workload: The workload of the Handling of Federal Prisoners program is presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Number of prisoners received and processed	82,390	89,558	92,300	97,000
Number of prisoners produced	244,098*	259,325	275,000	291,500
Number of prisoners moved	127,049	143,484	160,557	179,738
Number of prisoners moved via NPTS	64,345	74,828	85,374	97,412
Number of trips completed	27,408	29,288	31,847	34,635
Average receipt and process hours per prisoner	14.9	16.1	17.4	18.8
Jail inspections performed	294	429	550	600
Jail agreements written or modified	158	135	145	155
Jail agreements in force	815	820	825	830

*1985 Workload revised to delete prisoners handled for NPTS to correspond to new reporting system (USM 268).

In 1986, the Marshals Service received 90,000 individuals charged with violations of federal law. Of this total, 93 percent were detained in custody (56,000 in contract jails and 28,000 in federal institutions). On the average, each prisoner received was produced three times for appearances at detention hearings, trials, other court proceedings, medical care, or transfers between detention facilities to alleviate critical space shortages. The increase in the number of federal judges and magistrates and the loss of critically needed jail space close to the courts, has forced district personnel to expend 96 percent more workyears than in 1979 for within-district movement of prisoners.

During 1986, the Marshals Service conducted over 143,000 prisoner movements, of which 75,000 were by NPTS. The cost per prisoner moved via NPTS was $112 as compared to $699 if moved by commercial air. NPTS remains the safest, fastest and most economical way to move prisoners long distances and produce them within court-ordered deadlines.

The Marshals Service has acquired small single and multi-engine aircraft to reduce the number of commercial air charters used in certain locations. Use of Service-owned (SOAP) aircraft is necessary because of the increasing requirement to transport more dangerous criminals under the most secure means possible. The SOAP aircraft were acquired at no cost from seizures (forfeiture proceedings through the U.S. Courts) and surplus from the Federal Aviation Administration (FAA).

During 1987, over 160,000 prisoner movements are expected to be conducted, of which 85,000 will be via NPTS. A total of 30,500 prisoner movements should be completed by the NPTS airlift (35 percent of total NPTS movements).

The Marshals Service has continued to expand its highly successful Federal Excess Property (FEP) program for contract detention facilities. Since its implementation in 1982, the FEP program has provided approximately $8.2 million in personal property (the majority of which is consumable property such as clothing, linens, and supplies) to over 300 jails in 75 judicial districts.

During 1986, the Marshals Service developed a comprehensive handbook for the districts and all participating contract jails which clarified and streamlined policy and procedures. The first on-site inventory of jail accountable FEP property was conducted. The survey involved on-site inspections in approximately 175 jails with an estimated accountable property value of $2 million.

Through its jail inspection program, the Marshals Service has rapidly become the focal point for on-site technical assistance for State and local jails. Training materials on conditions of confinement by the American Correctional Association and the American Medical Association are mailed out routinely to district inspectors for use in regional training seminars, and provided to local jail administrative staff for use in upgrading detention policies and procedures. National Sheriff's Association slide presentations on jail operations have been developed and coordinated by Marshals Service headquarters and district inspectors for use in regional jail seminars as a part of a concerted effort to place increased emphasis on the jail inspection program, two classes to train approximately 90 criminal investigators on the Prisoner Support Program were held in September and October 1986. As a result of this new training program, the level of inspection activity for 1986 increased 46 percent over the 1985 level.

Program Changes: The Marshals Service is requesting an additional 18 positions and $5,153,000 in 1988. Of this, $4,047,000 and 10 positions support management improvements for the Marshals Service's National Prisoner Transportation System (NPTS). In 1988 the Service expects to perform over 97,000 movements via NPTS. Considering the government's accelerated drug efforts, that figure could easily reach 100,000 in that year. This represents almost a one-third increase above the 1986 level. The resources requested are for essential improvements including deployment of a second large aircraft, performance of major maintenance on existing aircraft, and introduction of efficiencies in ticketing and scheduling. Improvements such as these are necessary if the Service is to continue to meet the workload demands in this area and realize even greater efficiencies.

Another $1,106,000 and eight positions are required for additional responsibilities associated with the District of Columbia Superior Court. Relocation of U.S. Attorney and grand jury facilities to the new Judiciary Center building requires additional resources to ensure public safety and proper handling of prisoners to and from this facility and the D.C. District and Superior courts, and to construct a new cellblock for grand jury detainees at this site. Moreover, resources are requested to relocate Marshals Service personnel and equipment from the U.S. District Courthouse into D.C. Superior Court, thereby combining the administrative functions of Superior Court in one building and eliminating the need for the public to conduct business in two separate facilities.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Organized crime drug enforcement.....	13	13	$752	13	13	$912	13	13	$912	...	...	...

Long-Range Goal: To participate in the presidentially mandated enforcement and prosecutive effort of the Task Force operation.

Major Objectives:

To promote a coordinated drug enforcement effort in each OCDE Task Force region.

To make full use of financial investigative techniques and forfeiture actions, thereby enabling the government to seize assets and profits derived from organized crime and narcotics trafficking.

To provide an effective liaison between the Marshals Service and the OCDE Task Forces.

Base Program Description: This program provides the funding for the 13 positions and related resources assigned to the regional headquarters cities of the OCDE Task Forces. These cities are: Boston, Massachusetts; New York, New York; Baltimore, Maryland; Atlanta, Georgia; Detroit, Michigan; Chicago, Illinois; St. Louis, Missouri; Houston, Texas; Denver, Colorado; San Francisco, Los Angeles, and San Diego, California; and Miami, Florida. The focus of Marshals Service participation in the OCDE Task Force activity is on coordination of fugitive felon investigations, witness relocation and protection, prisoner transportation, and asset forfeiture in support of the program.

Accomplishments: The Marshals Service plays an essential role in the federal criminal justice system and continues to support the activities of the OCDE task forces through witness security, judicial security, fugitive investigations, international extraditions, seizure and management of forfeitable assets, process execution, and prisoner handling. No specific workload is available, because the witnesses, prisoners and warrants are not always identified with OCDE Task Force activity when the Marshals Service receives them. The Marshals Service is looking for ways to identify and track OCDE Task Force workload in the future.

The Marshals Service is closely associated with OCDE efforts. Thirteen criminal investigators on site at the Task Force locations provide liaison and coordination between the task force and the Marshals Service. They also devote much of their time as fully participating members of OCDE investigative teams. During 1986 all 13 OCDE coordinators attended regional conferences to their respective areas. A one week conference was held in New Orleans where the 13 coordinators were addressed by representatives from the various divisions within the Marshals Service.

Many of the cases brought to trial in 1986 were high risk, dangerous, and expensive. These trials often involve many defendants, thus increasing the chances for violence and disruption of the judicial process. The Marshals Service was able to prevent any serious disruptions such as jury tampering, assaults and threats on federal prosecutors, elaborate escape attempts or civil disruption in the courtroom. As a result of OCDE cases, 27 new witnesses entered the witness protection program.

The National Asset Seizure and Forfeiture program of the Marshals Service is providing increased support to OCDE pre- and post-seizure efforts. OCDE seizures--such as the seizure of the Shelburne Glebe Farm in Loudoun County, Virginia--tend to be more publicized and complicated.

As the most experienced federal law enforcement agency in the field of fugitive investigations, the Marshals Service has greatly assisted OCDE. This assistance is provided in fugitive matters where the Marshals Service shares jurisdiction, as well as in cases where the Service would not normally have investigative jurisdiction.

Other programs of the Marshals Service that are increasingly affected by the efforts of the OCDE Task Forces are the service of process, movement of prisoners, and the contract housing of those prisoners.

Program Changes: No program changes are requested.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and administration..	116	117	$7,962	116	117	$8,772	122	120	$10,912	6	3	$2,140

Long-Range Goal: To address the managerial and administrative requirements in the areas of planning, policy development and direction, budgeting and administrative services necessary to support the Marshals Service's diverse mission and diverse law enforcement responsibilities.

Major Objectives:

To provide executive leadership and policy guidance to operational and administrative staff in order to operate in an efficient and cost effective manner.

To ensure that the highest standards of integrity, loyalty, and conduct are maintained among all Marshals Service personnel.

To disseminate information about Marshals Service activities to public officials, agencies and the public.

To provide efficient and effective personnel management.

To assess personnel and financial resource needs by program, obtain adequate resources and manage them effectively.

To maintain an effective Equal Employment Opportunity program throughout the Marshals Service.

To procure and maintain equipment, and fully support district requirements.

Base Program Description: The various activities of the Management and Administration program reflect the diverse mission of the Marshals Service and are organized to provide effective managerial guidance and to ensure a high degree of consistency in the application of policies and procedures. This streamlining of staff management functions minimizes the time line managers in the 94 district offices must spend on administrative matters. The activities included in this program are: 1) Executive Direction and Control and 2) Administrative Services.

Through the Executive Direction and Control program area, essential direction and effective management of the Marshals Service is provided in order to facilitate the successful accomplishment of its operational mission. To achieve this objective, management must formulate policies which guide and assist field personnel and headquarters' divisions. Further, this program involves the oversight of such key management operations as: 1) responding to members of the Congress, officials of other government agencies, the news media, and the general public; 2) coordinating, reviewing, and making recommendations on legal issues and legislation which will or may have an effect on the Marshals Service's mission; 3) providing financial support and ensuring the prompt payment of debts and the collection and deposit of funds due the government by law or court order; 4) maintaining a high level of integrity and competence among Marshals Service personnel; 5) conducting management audits to ensure that district operations are both efficient and cost-effective; and 6) constantly monitoring and improving the Marshals Service's management information systems.

The Administrative Services program area provides the staff services necessary to support the operational divisions, thereby enabling them to accomplish their mission requirements with a high degree of safety, effectiveness, efficiency, and economy. Specifically, this area encompasses personnel management, employee development, Equal Employment opportunity, and the management of other administrative functions including space, transportation, communications, property, and procurement.

Accomplishments and Workload: The workload of the Management and Administration program is presented in the following table:

Item	1985	1986	Estimates 1987	1988
Public information/congressional responses	9,470	9,750	9,900	10,120
FOIA/Privacy Act responses	613	675	775	875
Administrative tort claims and legal proceedings against USMS processed	350	350	375	400
Misconduct allegations investigated by headquarters	115	135	145	165
District and program audits/management reviews completed	28	38	38	38
Preliminary background investigations conducted	...	300	300	300
Limited background investigations conducted	...	...	100	150
Background investigations conducted	...	...	250	275
Personnel actions processed	15,000	20,000	25,000	30,000
Employment applications reviewed	20,000	17,500	20,000	25,000
EEO complaints filed	16	19	20	20
Property and procurement actions completed	9,220	8,500	9,200	9,200
Printing actions	742	850	1,000	1,000
Major cellblock and office renovations completed	21	23	25	25
Major cellblock and office renovations in progress	96	117	125	130
Space actions processed	110	120	130	140
Architectural/Engineering reviews	580	585	590	595

During the past year, program managers continued to implement and expand upon a number of major initiatives designed to improve the Marshals Service's ability to perform its mission in a responsible and cost-effective manner.

The Office of Congressional and Public Affairs, a staff of five people, will be working with the Department and congressional committees to enact a major legislative package designed to modernize the statutory underpinnings of the Marshals Service. Legislative and oversight hearings before the Judiciary Committees of the Senate and House are expected during the year and will require continual interaction between the Marshals Service and Congress. Moreover, in preparation for the Marshals Service bicentennial, this office will be working closely with the media, other government organizations and interested parties to promote a clear sense of the history and purpose of the Marshals Service, and to instill a sense of pride among its employees. This activity will include the development and distribution of written material and direct communications with district personnel, news media representatives, and congressional offices.

During 1986, the Office of Legal Counsel provided defense for the Marshals Service in personnel matters and other cases directly affecting the operations of the Marshals Service. Legal defense was provided in liability suits for injunctive and affirmative relief and monetary claims in the millions of dollars. In 1986, the Legal Counsel staff responded to: 675 Freedom of Information and Privacy Act requests and appeals; 185 tort claims; 30 employee claims for property damage; 80 personnel actions in administrative proceedings and arbitrations; and issued 190 legal opinions.

In 1986, the Office of the Assistant Director for Inspections completed 135 criminal and administrative investigations on the conduct of Marshals Service personnel, which result in criminal and administrative sanctions or letters of clearance. This office also extends investigative guidance to management officials who conduct some 45 investigations involving less serious allegations. The audit program will continue to operate under the resource utilization/compliance/operational audit, which provides management with the information needed to evaluate field and program management effectiveness and distribution of resources. As a result of these audits, savings were realized through tighter controls on overtime, intermittent deputy hours, guard hires, government vehicles, storage of evidence and seized property, and the collection of past-due fees, earnings and reimbursable items. It is anticipated that approximately 35 district audits and three program audits will be completed in 1987. The Internal Inspections Program will be expanded to include conducting preliminary background investigations as well as providing policy and control over security clearances for all Marshals Service personnel. It is estimated that approximately 300 security clearances and 300 preliminary background investigations will be conducted. The Marshals Service is assuming this responsibility from the Office of Personnel Management (OPM) as a result of backlog at OPM and a critical need of the Marshals Service for expeditious handling of background investigations. These investigations are essential if the Marshals Service is to continue to employ the type of individual needed for the sensitive positions within the Marshals Service.

During 1986 the Resource Analysis Division collected more than 62,000 reports of time utilization from field offices, and significant workload indicators and time data were analyzed to produce an equitable allocation of FTP positions among 94 field offices. The Division also produced major reports of 1985 Marshals Service activities and performed an in-depth review of the impact of the Comprehensive Crime Control Act on the Marshals Service. Currently the Division is working with a group of program analysts and field office managers to review and make recommendations on reports management and automation.

In the area of Administrative Services, the personnel staff successfully developed and implemented four two-week basic management training seminars. These seminars are required training for all new chief and supervisory deputies. The merit promotion program for specialists was computerized, thus substantially shortening the application procedures for these positions. New recruits in 1984 achieved the highest level of academic scores at the Federal Law Enforcement Training Center of any deputies recruited since 1975. The Chief and Supervisory Deputy U.S. Marshals Examination was administered to candidates in cities nationwide. The Employee Development Division began developing an assessment center to supplement the current merit promotion process. Fifty-one applicants for witness security specialist, GS-1811-12 positions underwent a modified version of the assessment center. This assessment center consisted of an oral interview, written exercise, self assessment and fitness assessment. The Marshals Service will implement a full scale assessment center for Chiefs and Supervisory Deputy U.S. Marshals in 1987.

As a result of a substantial workload increase placed upon operating offices in recent years, the Marshals Service initiated a major recruiting drive in 1985. To accelerate the hiring process, the personnel staff trained over a dozen chief deputy U.S. marshals in interviewing techniques, so that interviews can be conducted nationwide as the needs develop. Because of its size, this recruiting effort will have a noticeable and long-term effect on the Marshals Service in the years to come. The Office of Personnel Management has turned over to the Marshals Service its responsibility for maintaining the register of eligible candidates resulting from the test for deputy U.S. marshal. Since the register contained several thousand names, this activity imposes a significant increase on the workload of the personnel staff. In 1986, the Marshals Service Exam was given to 8,600 people. As a result, 3,750 people were placed on a roster for future consideration. During 1986, the Marshals Service interviewed over 1,200 deputy U.S. Marshal applicants, which resulted in the hiring of 305 deputies.

In the area of Equal Employment Opportunity, the EEO Advisory Committee, a group within the U.S. Marshals Service, met with the Director regularly and, as a result, compiled a set of affirmative action objectives such as ensuring that managers within the Marshals Service receive EEO training; enhancing the representation of women in law enforcement positions, and eliminating underrepresentation of minorities and women in the Marshals Service, by establishing methods to maintain minority and women's representation in the Service. Also among the initiatives was the reestablishment of the cooperative education program as an additional means of recruiting qualified minorities for deputy U.S. marshal positions.

Formal complaint activity remains at a level well within manageable proportions, due in part to aggressive investigative efforts by the Service, an emphasis on resolving EEO concerns before they develop into formal complaints and ongoing management training. Nineteen newly appointed supervisory personnel and twenty-three chief deputy U.S. marshals were trained in their EEO responsibilities. Forty-one collateral duty EEO personnel in both complaints and affirmative action were given enhancement training in their program responsibilities and personnel policies and procedures. Another 35 students successfully completed the recently established ongoing Spanish language training program, designed to enable Marshals Service personnel to communicate more effectively with the public it serves and in turn to perform the Marshals Service's mission more efficiently.

Improvements were also realized in the General Services Support Program which has experienced workload increases in the areas of transportation, space management, renovations, and materials management. Program personnel managed over 1,300 vehicles and 367 facilities, monitored over 117 major GSA construction projects, funded 240 minor renovation projects, completed 8,500 procurement and accountable property transactions, filled approximately 13,000 individual requests for stock items, and handled 850 printing orders. The Marshals Service continued a program, begun in 1984, to utilize seized vehicles for official use.

Program Changes: The Marshals Service requests $1,540,000 for critically needed cellblock renovations and similar improvements. At times all federal prisoners, including the most dangerous needing maximum security, are detained in one of the Marshals Service 305 cellblocks. At least 63 of these facilities are known to need major renovation to ensure security, especially in light of the ever-increasing destructive measures taken by criminals. Upgrading of five substandard courthouse cellblocks will require $1,040,000. The violent nature of the prisoners requires holding cell facilities which provide security equal to that in penal institutions. Facility surveys demonstrate that many Marshals Service holding cells do not meet minimum federal standards and have many safety and security violations. Critical renovations of four other prisoner handling areas, at a cost of $460,000, are also needed to provide secure prisoner/attorney interview rooms allowing voice privacy and preventing the passing of contraband. A prisoner elevator project costing $40,000 is needed as well.

Another six positions and $600,000 are requested for enhanced management and administrative support. The resources requested provide the employee development, personnel management and administrative services needed to support the Service's growing operational responsibilities.

	1987 Appropriation Anticipated			1988 Base*			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Protection of witnesses.....	...	...	...	...	...	$17,618	...	...	$17,618	...	...	...

*The Protection of Witnesses program was part of the Fees and Expenses of Witnesses appropriation 1987.

Long-Range Goal: To increase the effectivensss of the Department's efforts to combat criminal activity in such areas as organized crime, drugs or narcotics, and murder or conspiracy to commit murder, by obtaining testimony from potentially endangered or threatened witnesses.

Major Objectives:

To obtain which can be used to prosecure persons accused of organized crime or other serious criminal activity.

To protect witnesses and their families when the testimony of the witnesses may jeopardize their personal security.

To compensate witnesses for subsistence costs such as housing, food, relocation, and incidental expenses as provided by the Witness Security Reform Act of 1984.

To provide orientation, documentation and family-oriented services, etc., to new entrants into the Witness Security program.

Base Program Description: The procedure for designating a person as a protected witness is set forth in Department of Justice OBD Order 2110.2 "Witness Protection and Maintenance Policy and Procedures." This order places within the U.S. Marshals Service the responsibility for the security of those witnesses and their families. This program provides for their financial maintenance including the following: subsistence expenses; housing; medical and dental expenses; travel; documentation expenses for identity changes; one-time relocation; costs for obtaining employment; and other miscellaneous expenses. Rates are authorized by the Assistant Attorney General for Administration. The U.S. Marshals Service will continue its development of strategically located safesite facilities to house protected witnesses before and during trials, and the operation of the Safesite and Orientation Center.

Accomplishments and Workload: This program cannot report workload and performance in statistical form. All data reflecting the activities of this program are incorporated in the Witness Security program. A recent General Accounting Office report entitled "Witness Security Program: Prosecutive Results and Participants Arrest Data" (GAO/GGD-84-87) found that upon reviewing 220 case summaries involving the testimony of protected witnesses, 78 percent of the defendants in those cases were found guilty. Eight-four percent of those found guilty were sent to prison for a median sentence of 4.4 years. These prosecutions resulted in significantly more severe sentences than those received for federal felony prosecutions in general.

This activity has also provided sufficient funding to ensure the protection of witnesses willing to testify for the government in all organized crime cases requiring such testimony.

Program Changes: No program changes are requested.

United States Marshals Service

Salaries and expenses

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Witness Security		Fugitive Invest. & Court Orders		Judicial Security		ADP & Telecommunications		Handling of Federal Prisoners		Management & Administration		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades:														
GS/GM-15	...	...	...	...	...	...	...	...	...	...	1	$52	1	$52
GS/GM-13	1	$38	...	...	...	...	2	$75	2	$76	...	...	5	189
GS-12	...	...	...	...	...	...	2	64	7	222	2	63	11	349
GS-11	26	686	...	...	52	$1,373	...	...	...	...	1	26	79	2,085
GS-9	...	...	...	...	108	2,354	...	...	7	153	...	...	115	2,507
GS-7	...	...	...	...	...	...	...	...	2	36	2	35	4	71
GS-6	8	128	...	...	...	...	...	...	...	...	...	...	8	128
GS-5	1	14	...	...	...	...	...	...	...	...	...	...	1	14
Total pos. & annual rate	36	866	...	...	160	3,727	4	139	18	487	6	176	224	5,395
Lapse (-)	-18	-414	...	...	-69	-1,373	-2	-60	-7	-198	-3	-101	-99	-2,146
Perm. wkyrs. & comp	18	452	...	...	91	2,354	2	79	11	289	3	75	125	3,249
Other than full time perm	...	50	...	$300	...	1,399	...	4	...	298	...	5	...	2,056
Total wkyrs. & pers. comp	18	502	...	300	91	3,753	2	83	11	587	3	80	125	5,305
Personnel benefits		83		...		469		13		52		12		629
Travel		162		...		1,439		23		436		121		2,181
Transportation of things		10		...		46		...		5		2		63
SLUC		49		...		303		2		66		10		430
Comm, util & misc charges		29		...		136		684		16		5		870
Printing		5		...		29		...		4		...		38
Other services		84		...		415		431		2,724		1,890		5,544
Supplies		24		...		186		5		1,155		...		1,370
Equipment		193		...		1,350		100		108		20		1,771
Ttl wkyrs. & oblig. 1988	18	1,141	...	300	91	8,126	2	1,341	11	5,153	3	2,140	125	18,201

United States Marshals Service

Salaries and expenses

Priority Rankings

Base Program	
Program	Ranking
Judicial Security	1
Fugitive Investigations and Court Orders	2
Organized Crime Drug Enforcement	3
Witness Security	4
Handling of Federal Prisoners	5
Protection of Witnesses	6
Field Support and Training	7
ADP and Telecommunications	8
Management and Administration	9

Program Increases	
Program	Ranking
Judicial Security	1
Handling of Federal Prisoners	2
Witness Security	3
Fugitive Investigations and Court Orders	4
Management and Administration	5
ADP and Telecommunications	6

812

United States Marshals Service

Salaries and expenses

Detail of Permanent Positions by Category
Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized Revised	1988	
			Program Increases	Total
Attorneys (905)	7	7	...	7
Other Legal and Kindred (900-988)	68	68	...	68
Criminal Investigative Series (1811)	858	884	79	963
U.S. Marshals (082)	1,030	1,089	115	1,204
Other Misc. Occupations (001-099)	24	24	...	24
Social Sciences, Economics and Kindred (100-199)	3	3	...	3
Personnel Management (200-299)	29	29	4	33
General Admin., Clerical and Office Services (300-399)	415	430	15	445
Accounting and Budget (500-599)	123	123	...	123
Engineering and Architecture Group (800-899)	2	2	...	2
Information and Arts Group (1000-1099)	5	5	2	7
Business and Industry Group (1100-1199)	33	33	...	33
Equipment, Facilities and Services Group (1600-1699)	1	1	...	1
Education Group (1700-1799)	3	3	...	3
Supply Group (2000-2099)	9	9	...	9
Transportation Group (2100-2199)	14	14	9	23
Total	2,624	2,724	224	2,948
Washington	134	134	10	144
U.S. Field	2,489	2,589	214	2,803
Foreign Field	1	1	...	1
Total	2,624	2,724	224	2,948

United States Marshals Service

Salaries and expenses

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1987 as enacted	...	...	$159,000
1987 Pay and retirement supplemental requested	...	...	5,445
1987 Program supplemental requested	...	...	405
1987 appropriation anticipated	2,724	2,794	164,850
Adjustments to base:			
Transfers to and from other accounts:			
Transfer of FASS group from General Administration	...	...	42
Transfer of Protection of Witnesses from "Fees & Expenses of Witnesses"	...	...	17,511
Total, transfers	...	...	17,553
Uncontrollable increases:			
One additional compensable day	...	...	315
Annualization of additional 1987 positions	...	14	800
Annualization of Federal Employees' Retirement System Costs	...	...	8,086
Annualization of 1987 pay increase	...	...	1,275
Medicare costs	...	...	11
Locality based per diem	...	...	783
Federal Employees' Compensation Act (FECA)-Workers' Compensation	...	...	360
GSA Rent	...	...	3,146
GSA recurring reimbursable services	...	...	13
Federal Telecommunications Systems (FTS)	...	...	213
Telephone service	...	...	5
GPO printing costs	...	...	8
Employee data and payroll services	...	...	118
General pricing level adjustment	...	...	628
Subsistence rates for protected witnesses	...	...	107
Total, uncontrollable increases	...	14	15,868
Decreases:			
Reduction for change in hourly rate	...	...	-174
Reduction in Health Benefits	...	...	-206
Total, decreases	...	...	-380
1988 Base	2,724	2,808	197,891

United States Marshals Service

Salaries and expenses

Justification of Adjustments to Base
(Dollars in thousands)

	Work-years	Amount
Transfers to and from other accounts:		
1. Transfer of FASS group. This represents the transfer of the Financial and Administrative Systems Support Group from the General Administration to the Working Capital Fund. The transfer of this group will place all of JMD financial, administrative systems support services on a user-reimbursable basis.	...	$42
2. Transfer of Protection of Witnesses. This represents the transfer of Protection of Witnesses from the Fees and Expenses of Witness Appropriation to the Salaries and Expenses of United States Marshals Appropriation.	...	17,511
Total transfers	...	17,553
Uncontrollable increases:		
1. One additional compensable day. The annual salary rate for Federal employees is based on 260 paid days. FY 1988 has one more compensable day (262) than 1987 (261). (Permanent personnel compensation $315,000: 260 = $274,000 plus $41,000 for benefits.)	...	315
2. Annualization of 100 additional positions approved in 1987	14	800

	Approved 1987 Increase	Annualization Required
Annual salary rate of 100 approved positions	$2,596,000	
Less lapse	725,000	$725,000
Net compensation	1,871,000	
Associated employee benefits	308,000	75,000
Total costs subject to annualization	1,563,000	800,000

	Work-years	Amount
3. Annualization of Federal Employees' Retirement System Costs..... This request provides for the additional costs in 1988 necessary to continue implementation of the Federal Employees' Retirement System Act of 1986, P.L. 99-335. This act established a retirement program for Federal civilian employees and postal workers hired after December 31, 1983 who are covered by social security, and for employees under the Civil Service Retirement System who choose to transfer into the new system. The calculations were determined from an OMB approved formula. Additionally, $800,000 of 1987 requirement was absorbed. Total annualization required is $8,086,000.	...	$8,086
4. Annualization of 1987 pay increase..... This request provides for the annualization of the January 4, 1987 pay increase. The calculation of the amount required for annualization is based on 261 compensable days in 1987 and 68 paid days (October 1, 1986 through January 5, 1987) were not included in the pay raise amount of $1,275,000. Additionally, $407,000 of the 1987 pay requirement was absorbed. Total annualization required is $1,275,000. 68/261 x pay raise amount for 1987..... $868,000 1987 absorption of pay..... 407,000 Total annualization..... 1,275,000	...	1,275
5. Medicare Costs..... Beginning January 1, 1985, the base on which earnings for medicare computations are calculated increased from $37,800 to $39,600. Additionally, beginning January 1, 1986, the base for computation increased to $42,000 and the rate changed from 1.35 to 1.45 percent.	...	11
6. Locality based per diem..... Public Law 99-234 authorized a new locality-based per diem and lifted the $75.00 ceiling in certain geographic areas. An uncontrollable increase of $783,000 is required to meet the expected 9.5 percent increase to total travel funds.	...	783
7. Federal Employees' Compensation Act (FECA) - Workers' Compensation..... This increase reflects the billing provided by the Department of Labor for the actual costs in 1986 of employees' accident compensation. The 1988 amount will be $2,308,000 or $360,000 over the 1987 base.	...	360
8. GSA Rent..... In 1987 the Rent System replaces the Standard Level User Charges (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $3,146,000 is required to meet our commitment to GSA.	...	3,146

	Work-years	Amount
9. GSA recurring reimbursable services..... Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.2 percent increase of $13,000 in fees for these services in 1988 over 1987 charges of $315,000.	...	$13
10. Federal Telecommunications System (FTS)..... The General Services Administration has advised of a 16 percent increase in Federal Telecommunications System (FTS) intercity costs for 1986. This increase is mainly due to unanticipated tariff increases, savings GSA had built into their original budget estimate which will not materialize and FY 1985 costs which were not billed by GSA last year. An increase of $213,000 over the amended 1987 base of $2,173,000 is requested.	...	213
11. Telephone Service..... On February 25, 1986, the District of Columbia Public Service Commission (PSC) issued its final order in the Chesapeake and Potomac telephone company (C&P) rate case. The PSC, in its order, allowed C&P to increase its rates by $31 million and set the rates for C&P's intrastate services. The PSC order affects the rates the Federal Executive Agencies will pay for basic exchange service, CENTREX services, service connections, direct inward dialing services and channel services. These changes will increase the FY 1987 cost of operating the Justice Telecommunications Service (JTS) by an estimated $552,000.	...	5
12. GPO Printing Costs..... The Government Printing Office (GPO) is currently projecting a 3 to 4 percent increase over the 1987 printing cost of $233,347. An additional $8,000 will be required in 1988.	...	8
13. Employee data and payroll services..... Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems maintenance and payroll accounting, are based on the number of records maintained. The rate of $145.64 per record in FY 1986 will be raised to $155.76 per record for FY 1988. The change is based on anticipated uncontrollable cost increases of 6.9 percent for the operation of the Justice Employee Data Service.	...	118

	Work-years	Amount
An additional increase of $87,000 has been included to improve the Human Resources Management Information System (HRMIS). This improvement will enhance the productivity of all Department components as well as the support units of accounting, budgeting and procurement. This retooling of support systems will allow the Department to operate an efficient, effective and businesslike administrative operation.		
14. General pricing level adjustment..... This request applies OMB pricing guidance as of December 1986 to selected expense categories. The increased costs identified result from applying a factor of 3.5 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.	...	$628
15. Subsistence rates for protected witnesses..... This increase involves the adjustment of subsistence rates for protected witnesses in the Witness Security program. An additional $107,000 over the 1987 transfer of $17,511,000 will be required in 1988.	...	107
Total uncontrollable increases.....	14	15,868
Decreases (Automatic non-policy):		
1. Reduction for change in hourly rate..... Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985 required that the computation of annual salary rates to be based on 2,087 hours rather than 2,080. The same amount that was reduced in 1984 and restored in 1986 is requested for reduction in 1988.	...	-174
2. Reduction in Health Benefits..... The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1986, the Department's actual contribution to health insurance decreased due primarily to reduced carrier rates. The requested decrease includes -$206,000 for decreased rates over the 1984 budgeted base.	...	-206
Total decreases.....	...	-380
Total, adjustments to base.....	14	31,041

United States Marshals Service
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1987 Estimate Positions & Workyears	1987 Estimate Amount	1988 Request Positions & Workyears	1988 Request Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
ES-6, $74,500	1		1		...	
ES-5, $72,500	1		1		...	
ES-4, $70,700	2		2		...	
ES-3, $68,200	1		1		...	
ES-2, $65,700	1		1		...	
GS/GM-15, $53,830-69,976	60		61		1	
GS/GM-14, $45,763-59,488	109		109		...	
GS/GM-13, $38,727-50,346	161		166		5	
GS-12, $32,567-42,341	254		265		11	
GS-11, $27,172-35,326	753		832		79	
GS-10, $24,732-32,148	1		1		...	
GS- 9, $22,458-29,199	420		535		115	
GS- 8, $20,333-26,435	80		80		...	
GS- 7, $18,358-23,866	458		462		4	
GS- 6, $16,521-21,480	100		108		8	
GS- 5, $14,822-19,268	275		276		1	
GS- 4, $13,248-17,226	33		33		...	
GS- 3, $11,802-15,339	10		10		...	
GS- 2, $10,816-13,611	2		2		...	
Ungraded Positions	2		2		...	
Total, appropriated positions	2,724	$76,996	2,948	$83,125	224	$6,129
Pay above stated annual rates	...	296	...	640	...	344
Lapses	-101	-2,292	-186	-4,246	-85	-1,954
Net savings due to lower pay scales	...	-641	...	-174	...	467
Net full-time permanent	2,623	74,359	2,762	79,345	139	4,986
Other than permanent:						
Part-time permanent	14	136	14	143	...	7
Temporary employment	65	791	65	833	...	42
Other part-time and intermittent	92	1,333	92	1,403	...	70
Other Personnel compensation:						
Overtime	323	13,101	323	15,153	...	2,052
Other compensation	4	690	4	797	...	107
Special personal services payments	...	1,789	...	19,457	...	17,668
Total, workyears and pers. comp.	3,121	92,199	3,260	117,131	139	24,932
Average ES Salary		$70,383		$70,383		
Average GS/GM Salary		$28,253		$28,636		
Average GS/GM Grade		9.9		9.9		

United States Marshals Service
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1987 Estimate Workyears	1987 Estimate Amount	1988 Request Workyears	1988 Request Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11 Personnel compensation:						
11.1 Full-time permanent	2,623	$74,359	2,762	$79,345	139	$4,986
11.3 Other than permanent	171	2,260	171	2,379	...	119
11.5 Other personnel compensation	327	13,791	327	15,950	...	2,159
11.8 Special personal serv. payments	...	1,789	...	19,457	...	17,668
Total	3,121	92,199	3,260	117,131	139	24,932
Reimbursable workyears:						
Full-time permanent	(54)		(54)		(...)	
Other than permanent	(8)		(8)		(...)	
Other objects:						
12 Personnel benefits		16,194		25,281		9,087
13 Benefits to former personnel		3		3		...
21 Travel & transp. of persons		16,655		19,619		2,964
22 Transp. of things		629		692		63
23.1 Standard level user charges		15,989		19,578		3,589
23.3 Communications, utilities and miscellaneous charges		7,249		8,884		1,635
24 Printing and reproduction		522		568		46
25 Other services		6,948		12,733		5,785
26 Supplies and materials		2,648		4,018		1,370
31 Equipment		5,800		7,571		1,771
42 Ins. Claims and Indemnities		14		14		...
Total obligations	3,121	164,850	3,260	216,092	139	51,242
Relation of obligations to outlays:						
Obligated balance, start-of-year		13,811		22,054		
Obligated balance, end-of-year		-22,054		-32,839		
Outlays		156,607		205,307		

OPENING STATEMENT

Mr. DWYER. The committee is pleased to welcome back the director of the Marshals Service, Mr. Stanley E. Morris.

Mr. Morris, you may proceed with your statement at your own pace.

Mr. MORRIS. Thank you, Mr. Chairman. I have a full statement which I would request the committee submit for the record. I would like simply to highlight the key points of that for the committee's edification.

I am pleased to appear before you again in support of the 1988 appropriations request for the United States Marshals Service. First I would like to thank the committee for its prompt and favorable action on our 1987 supplemental request which, quite honestly, is desperately needed in order to keep pace with the many requirements being placed upon the Marshals Service.

In the next few years we will be challenged as never before. Recent anti-drug initiatives, combined with the Comprehensive Crime Control Act, the anticipated sentencing changes, and similar mandates are reshaping the administration of Federal justice. The resulting strains placed on the criminal justice system are enormous. The pressures on the system continue to grow.

Because of our overall responsibilities to the judicial process, we at the Marshals Service are directly affected by this activity. The increased demands for improved court security, efficient prisoner handling, and safe witness protection require our full attention. Proper attention also must be must be given to apprehending fugitives and the timely extradition of international criminals. And, we must deny criminals the fruits of their ill-gotten gains. This requires proper management of seized assets and the realization of maximum profits once the goods and property are sold.

The request before you, as you mentioned in your opening remarks, provides the resources essential to meet these responsibilities. For 1988, we are asking for 2,948 positions and $216.1 million for the Marshals Service appropriation, a net increase of 224 positions and $51.2 million above the 1987 appropriation anticipated. However, only about one-third of this amount, $18.2 million represents actual program increases. Uncontrollables, and a transfer between appropriations comprise the other two-thirds of the increase. Every addition results from factors over which we in the Marshals Service continue to have little, if any, control.

Let me highlight the major programs and resource requirements described in our 1988 budget:

JUDICIAL SECURITY

Maintaining the safety and integrity of the judicial process is the Marshals Service's highest priority. As the Government continues to move against drug traffickers and major criminals, the types of cases tried become increasingly dangerous and increasingly complex.

Los Macheteros, a Puerto Rican terrorist independence group, is accused of using anti-tank weapons to attack the U.S. Federal building in Hato Rey, Puerto Rico; firing at a U.S. Navy bus, killing military personnel in Sebana Seca, Puerto Rico; and destroying

military aircraft. Currently, 16 of its members await trial in Connecticut for a $7 million Wells Fargo robbery.

The United Freedom Front has allegedly conspired to overthrow the Government by force. Raymond Levasseur, Thomas Manning, and seven other members of this group await trial in Boston for numerous bombings, bank robberies, and murders. Last year, Levasseur and Manning were convicted in New York of similar charges.

Carlos Lehder-Rivas, a major figure in Colombia's Medellin drug cartel, is considered responsible for distributing over 80 percent of the world's cocaine—80 percent of the world's cocaine. Lehder-Rivas is believed to have murdered a number of high-ranking Government and judicial officials in Colombia, and is principally responsible for the attack on the Supreme Court in Bogota a little over a year ago. Threats have been made against United States judicial officials as well. We cannot afford to let him or his associates make good on any of those promises.

These trials and others present us with security requirements unheard-of just a few years ago. It is estimated that these three proceedings alone will run a combined total of nearly a year, involve over 100 deputy U.S. marshals, and cost over $2.5 million.

COURT SECURITY OFFICERS

Security problems arise not only before and during trials, some of the more serious actions take place well after proceedings have concluded. For example, in August of last year, a pipe bomb addressed to Federal Judge Paul Benson was sent to the Federal courthouse in Fargo, North Dakota. Judge Benson was not participating in any high-profile trial at the time, although he had handled a number of major trials in the past. One of the Court Security Officers recognized something suspicious in the materials that were being brought in by the law clerk, ran the package through the magnetometer recently put in place there in Fargo, and found the pipe bomb, the wires, and the like. Through his quick action, tragedy and perhaps loss of human life was avoided.

The CSOs, the Court Security Officers, around the country, funded out of the judiciary appropriation, and managed by the United States Marshals Service, have done an outstanding job in providing perimeter security for the Federal courts.

I would like to point out that that is not the first pipe bomb that we have grabbed and seized this year. Just a few months ago in Philadelphia we seized a pipe bomb on its way into the courthouse.

For 1987, the Administrative Office of the U.S. Courts has 1,114 court security officers authorized nationwide. They are requesting another 240 CSOs positions in 1988 for this vital function. I would point out that this is a level about the same size as the Capitol Hill police, and yet the CSO have responsibility for perimeter security for over 250 courthouses around the United States. I would make a pitch on behalf of the Marshals Service in support of the judiciary's request in that regard.

In another instance, Chief Judge Charles Brieant of New York's southern district was sent a box of poisoned valentine candy the day before Valentine's Day allegedly by a person convicted and

sentenced by Judge Brieant six years ago of manufacturing LSD. Regretfully, his wife consumed some of the Godiva chocolates, and when he came home, he found her in a comatose state. She was in intensive care for a while, and fortunately, she survived. With the quick assistance of the FBI, arrests in that case were made.

When placed in the context of more dangerous and longer court proceedings, a growing number of threats and violence—plus added responsibilities for the Tax Court and the Court of International Trade, added recently in new legislation enacted by the Congress—the Marshals Service judicial security needs are critical. For 1988, we request an additional 160 positions and $8,126,000 for enhanced judicial security, including 42 positions and $2,263,000 to meet new security requirements directly resulting from the government's accelerated efforts to capture major drug dealers and bring them to trial.

I would like, at the close of this hearing, to discuss some of these issues in a little more detail in a closed part of the session.

WITNESS SECURITY AND PROTECTION

In yesterday's New York Times, a major story on the front page concentrated on the fact that today's Mafia is divided and under seige. The reality is, as is pointed out in that article, and as confirmed by Director Webster of the FBI and Rudy Guiliani of the U.S. Attorney's office, none of those cases that have basically divided and put the Mafia under seige would have been possible without the effectiveness of the witness protection program. My people who work in that difficult area don't always receive the credit, I believe, that they deserve, but clearly, those who know, understand how critical that program is to the success of this Administration's efforts against organized crime.

We are requesting an additional 36 positions and $1,141,000 for witness security in 1988 to continue to meet the complex and costly needs of protected witnesses and to operate the new safe-site and assessment center in the suburban Washington, D.C., area. If the Government is to continue to rely on the valued testimony of these witnesses, then it must be willing to provide the safe atmosphere, maximum security, and quite honestly, the humane services necessary to protect these people both before and after testimony, and give them a fair opportunity to start new lives in new locations under newly assumed names.

Also, we are once again requesting that the Protection of Witnesses Program be transferred from the Fees and Expenses for Witnesses appropriation to the Marshals Service appropriation. Protection of Witnesses comprises a small portion of the Fees and Expenses of Witnesses and is distinctly different from the rest of the activity funded under that appropriation.

HANDLING OF FEDERAL PRISONERS

The demands placed on the Marshals Service for timely and efficient prisoner production continue to grow. We expect to conduct 180,000 prisoner movements in 1988, almost 100,000 of which will be via our National Prisoner Transportation System. This represents a one-third increase in NPTS moves in just two years.

Considering the safety afforded the public, our personnel, and the prisoners themselves, as well as comparative costs, the National Prisoner Transportation System, we believe, is the best way to move prisoners long distances and produce them within court-ordered deadlines. The cost of an average Marshals Service airlift is $112 per prisoner, more than six times less expensive than commercial air trips.

This system allows us to realize safety and economies of scale not obtainable on commercial air flights. On our NPTS flights we can transport 90 prisoners with seven deputies, on a commercial trip a single prisoner requires two deputies.

I would point out, too, that the Department, on several occasions, has used the initiative that we have undertaken in this area as one of its top productivity improvement initiatives.

As more and more major drug and organized crime figures are apprehended, greater reliance is going to be placed on the NPTS for secure and prompt prisoner movement. For 1988, the Marshals Service requests an additional 10 positions and $4,047,000 for enhancements in our prisoner transportation program.

FUGITIVE INVESTIGATIONS

The Marshals Service places special emphasis on the investigation and apprehension of those fugitives with histories of violence, organized crime, and narcotics activities. Last year, we cleared nearly 56,000 fugitive warrants and arrested over 14,000 felons, more than 20 percent of whom were wanted for drug-related offenses.

Finally, as the fugitive problem assumes international proportions, our extradition responsibilities grow increasingly important. By 1988, we expect to conduct 250 international extraditions, almost twice the level of 1986. The people we extradite are among the most dangerous in the world, and include Latin American drug dealers such as Jose Antonio Cabrera Sarmiento and Severo Escobar.

Requisite security, travel precautions, and coordination with other Federal agencies and foreign governments make this activity both dangerous and costly. We are requesting another $300,000 in 1988 to ensure adequate resources are available to meet both the additional extraditions and the rising costs of security precautions required for this function.

COURT ORDERS

Marshals Service responsibility for executing court orders remains essentially constant through 1988 and is projected to serve 300,000 pieces of process annually, about two-thirds in person. Over 200,000 pieces are served on behalf of other government agencies; much of it relating to the debt collection area. The remaining 30 percent is served on behalf of paupers and in response to specific court orders.

MANAGEMENT AND SUPPORT SERVICES

As our operational responsibilities increase, it becomes vitally important that proper management and support services be provid-

ed to augment this activity. In the past few years, we have done much to improve the quality of the administrative service and systems available to support our program mission.

For example, the law enforcement training provided by our Marshals Service Training Academy ranks among the best in the world. We are also becoming a leader in survival and anti-terrorist training in our special Operations Group Training Center in Louisiana.

Last year we successfully implemented a wide range of administrative improvements including enhancing recruitment and application techniques, establishing requirements for Equal Employment Opportunity training, and handling increased demands for transportation, space and materials management.

However, administrative support has not kept pace with operational demand. Program increases generated from the Comprehensive Crime Control Act and the most recent anti-drug initiatives have outstripped our ability in many cases to support them.

To begin to address this situation, in 1988 we are requesting 10 positions and $3,481,000 for badly needed management improvements. This includes four positions and $1,341,000 for automatic data processing enhancements for threat analysis, prisoner transportation, and district automation.

I would point out here that in past years this committee and the Congress have supported our ADP requests, but often we can't spend the money that the Congress gives us because the uncontrollable parts of our budget have eaten that away.

I would also point out that what we are talking about here in terms of ADP support is not big, huge computers that you hear from many other organizations. We are talking here, quite honestly, about, in many cases, IBM personal computer type machines in our local offices so that we can count the number of prisoners and locate where they are and keep accounts of our records. These are computers much like many families have at home, but which we have not had the resources really to provide in many of our field offices. One of the challenges we have in this agency is that we man some 350 different offices in parallel with the Federal courts, and that makes ADP system needs, I think, even more acute than they are for some other agencies.

Also, another six positions and $600,000 are requested for enhanced management and administrative support.

Finally, $1,540,000 is needed for cellblock and prisoner handling area renovations. In many cases, in the vast majority of the cities around the United States, we have the only Federal cell to hold prisoners pending trial and the like. In many cases, those cells have deteriorated and in many cases were not built to deal with the nature of the current Federally indicted individual who is coming into the Federal criminal justice system. Upwards of 20 percent of our cellblocks are in urgent need of renovation and this will provide funding for five of our most critical projects.

SUPPORT OF U.S. PRISONERS

Let me turn finally to the Support of the U.S. Prisoners appropriation. The Comprehensive Crime Control Act initiatives, par-

ticularly the Bail Reform provisions, have swollen our prisoner population to the point where we now house nearly 8,000 prisoners a day, 30 percent more than we did just two years ago. Two-thirds of these prisoners are in local jails, the average daily rates for which have nearly tripled in the last decade. By 1988, we expect to use 1.7 million contract jail days, 20 percent more than in 1986.

The drain on our resources, both personnel and funding, are enormous. To meet our immediate needs for prisoner support, we are requesting $76,914,000 in 1988 for care of U.S. prisoners, $7,284,000 above the 1987 appropriation anticipated. This increase is necessary to meet the over 108,000 day increase in contract jail days and the almost $2 increase in the jail day rate anticipated for next year, from $37 to $39. I would point out that when that rate goes up one dollar, it adds about $1.5 million to the Support of Prisoners account.

I would also point out that part of the reason for this problem that we in the Federal Government are facing is our heavy reliance on State and local facilities. Those State and local facilities are now crowded well beyond their capacity—in many cases because of all of the initiatives being made at the State and local level—and we are the first ones who get moved out when available jail space disappears.

Another $5 million is requested for the Cooperative Agreement Program for two major projects to provide an additional 250 guaranteed spaces for up to 15 years.

SEIZED ASSETS PROGRAM

The Comprehensive Crime Control Act that I mentioned earlier also expanded the basic authority to seize assets from drug traffickers. The U.S. Marshals Service's primary job here, is the management and disposal of these assets in a businesslike manner.

Real property, which accounts for 40 percent of the property seized, presents the Service with its greatest challenge in the management of assets. We have made significant accomplishments in this area, and we continue to learn.

Our recent success stories, however, are encouraging. The Shelburne Glebe estate in Loudoun County, Virginia, just down the road, worth an estimated $2 million, was targeted in a major drug investigation by the mid-Atlantic Organized Crime Drug Enforcement Task Force. This historically significant property was seized, managed, and eventually sold by the Marshals Service for more than $4 million, twice its appraised value.

In late 1986, the Marshals Service also moved to get out of the foundry business. Since its seizure in November of 1985, we oversaw the continued operation just outside of Milwaukee of the Accurate Brass and Aluminum Foundry, Inc. We kept it running, we met the payroll and we actually turned a profit. Now that the owner has been convicted, we hope soon to close the sale of the foundry and expect a net return of a million dollars. Before the legislation was passed and before this fund was created, what would have happened in that seizure was that we would have gone in, we would have padlocked the doors, and we would have closed the business down. What we would have sold would not have been an

operating business. What we would have sold was some machinery and a warehouse. I think what we did was a significant improvement, we managed it to the ultimate benefit of the taxpayer.

In January, we left the flower business when the business known as "Pardon My Garden", on Cape Cod, Massachusetts, was sold for nearly $600,000. The business was operated under the control of the Marshals Service since it was seized in September 1985. I would like to point out that during the time of Carolyn Kennedy's wedding we were doing so well that she bought half of her flowers from Pardon My Garden. [Laughter.]

Other recent sales of Florida properties in Fort Lauderdale, Miami, St. Augustine, Palm City, and Key West yielded over $7 million.

Seized cash sounds like an easy job, but we found it to be one of the most difficult challenges we faced because it accounts for 37 percent of all the property seized, and represents an area of concern. As a result of our efforts at improving the handling of seized and forfeited cash, we saved the United States an estimated $3 million through effective cash management.

What had been going on in the past was that various offices would either keep the money in a safe or they would look around and find a local CD that they thought was a good place to invest it. Instead, we have created a special account at the Treasury. We have over $73 million in that account to date, and by putting the funds directly into the Treasury it serves as an offset against borrowing needs, so we get basically whatever the Treasury bill rate is. And, of course, it has the total protection of the United States behind it. Next year we think we may be able to double the amount of savings through that effective cash management technique.

Another important aspect of this unique program is the ability to share benefits with assisting law enforcement agencies. In 1986, we disbursed a little over $17 million to assist State and local law enforcement agencies through this equitable sharing program, and we estimate sharing disbursements in 1987 to exceed $28 million.

As of December 1986, we had nearly 6,000 properties on hand worth $423 million, including $149 million in seized cash. By 1988, we expect the total value of seized assets to be in excess of $600 million. In both 1987 and 1988, total income to the fund is estimated to be $140 million. We returned, at the end of the last fiscal year, a net $51 million to the Treasury.

I am proud of the critical role the U.S. Marshals Service plays in the dispensation of justice in America. Almost exactly 198 years ago, legislation was being debated in this body to create a Federal court system and establish a marshal to serve it and to carry out its orders. There is no more fundamental role in a free society, and I assure you, Mr. Chairman, and members of this committee, we will carry out that historic obligation.

This concludes my prepared statement. I would be happy to answer any questions you and other members of the committee may have.

[The prepared statement of Mr. Morris and the biography of Mr. Hayes follow:]

DEPARTMENT OF JUSTICE
UNITED STATES MARSHALS SERVICE

STATEMENT OF THE DIRECTOR
STANLEY E. MORRIS
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENTS OF COMMERCE, JUSTICE, STATE,
THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before you today in support of the 1988 appropriation request for the United States Marshals Service. As you know, the Marshals Service is involved in every facet of the judicial process. Our responsibilities for safeguarding the judiciary and endangered witnesses, executing warrants and court orders, managing seized assets and handling unsentenced prisoners are central to maintaining the timely and orderly administration of justice.

In the next few years, we will be challenged as never before. Recent anti-drug initiatives, combined with the Comprehensive Crime Control Act and similar mandates have reshaped the administration of justice. The resulting strains placed on the criminal justice system are enormous. Court calendars are now jammed with high-profile trials--taxing both federal judges and U.S. Attorneys--while jails are overcrowded with more prisoners awaiting trial. And, as efforts to investigate and capture major drug and organized crime figures accelerate, pressure on the system continues to grow.

Because of our overall responsibilities to the judicial process, we at the Marshals Service are directly affected by

this activity. When a person is put in our custody, he has already entered the system; we have no choice but to provide service. To do otherwise promotes inefficiencies in the system or, far worse, jeopardizes the safety of all involved. The increased demands for improved court security, efficient prisoner handling and safe witness protection require our full attention.

To be successful in the war against drugs and organized crime, proper attention also must be given to apprehending fugitives and the timely extradition of international criminals. And, we must deny criminals the fruits of their ill-gotten gains. This requires proper managing of seized assets and realizing maximum profits once the goods and property are sold.

If we are to meet these challenges, we must continue the efforts to upgrade the professionalism of our personnel. We can no longer rely on part-time staff and guard services to get the job done. Protection of the judicial process and continued response to a growing number of emergency situations requires nothing less than well-trained, full-time law enforcement professionals.

The request before you provides the resources essential to meet these responsibilities. For 1988, we are asking for 2,948 positions and $216.1 million for the Marshals Service appropriation, a net increase of 224 positions and $51.2 million above the 1987 appropriation anticipated. However, only about one-third of this amount, $18.2 million, represents actual program

increases. Every addition results from factors over which we continue to have little, if any, control.

Let me provide you with an overview of the major programs and resource requirements described in our 1988 budget.

Judicial Security

Maintaining the safety and integrity of the judicial process is the Marshals Service's highest priority. As the government continues to move against drug traffickers and major criminals, the types of cases tried become increasingly dangerous and complex. In the upcoming months, the Marshals Service will provide security at a number of high-profile proceedings. Three pending trials demonstrate this point.

Los Macheteros, a Puerto Rican Terrorist/Independence group, are accused of using anti-tank weapons to attack the U.S. Federal building in Hato Rey, Puerto Rico; firing at a U.S. Navy bus and killing military personnel in Sebana Seca, Puerto Rico; and destroying military aircraft. Currently, 16 of its members await trial in Connecticut for a $7 million Wells Fargo robbery.

The United Freedom Front has allegedly conspired to overthrow the government by force. Raymond Levasseur and seven other members of this group await trial in Massachusetts for numerous bombings, bank robberies and murder. Last year, Levasseur and Thomas Manning were convicted in New York of similar charges.

Carlos Lehder-Rivas is a major figure in Colombia's Medellin drug cartel, considered responsible for distributing over 80 percent of the world's cocaine. Lehder-Rivas is believed

to have murdered a number of high-ranking government and judicial officials in Colombia, and has threatened to murder federal judges if ever brought to trial in the United States. We cannot afford to let him make good on that promise. In anticipation of his upcoming trial, we are providing the most intense security ever given as a result of one criminal.

These trials and others present us with security requirements unheard-of just a few years ago. It is estimated these three proceedings alone will run a combined total of nearly a year, involve over 100 deputy marshals and cost about $2.5 million. This is on top of the nearly $1 million spent on earlier Macheteros arraignment and suppression hearings, and the nearly four hundred thousand dollars being spent on the trial of Gaetano Badalamenti and others involved in the "Pizza Connection"--which used pizza parlors as fronts for heroin distribution in major U.S. metropolitan areas--and the trial of New York crime boss John Gotti. Simply put, providing security at such proceedings is very expensive. However, anything less than full security only invites these groups to employ their terrorist tactics inside the courtroom.

These examples are symptomatic of a larger trend. Overall, time spent on criminal proceedings is expected to rise over 20 percent from 1986 to 1988.

Security provided during in-court proceedings is only part of the story, however. Protecting the 1,800 federal judges and magistrates and the 500 federal court facilities is not a 9 to 5 job; it requires constant attention. In 1988, it is

72-165 O—87——27

expected that 275 threats will be made against members of the judiciary--one-third more than were made in 1986--and that at least 75 protective service details will be required.

Threats not only occur before and during trials, some of the more serious actions take place well after proceedings have concluded. For example, last August a letter bomb addressed to Federal Judge Paul Benson was sent to the Federal Courthouse in Fargo, North Dakota. Judge Benson was not participating in any high-profile trial at the time, but had been involved in the previous trial of the neo-Nazi group, the Order. One of our Court Security Officers (CSO) recognized something suspicious and took immediate steps to isolate the package and protect the Judge. Only through the quick action of the CSO was tragedy averted.

The CSOs have done an outstanding job in providing perimeter security for federal courts. Not only do they keep dangerous elements from entering the courtroom, they allow us to focus our efforts on safeguarding judges and witnesses and maintaining the order of courtroom proceedings. We could not do our job without the assistance from the Administrative Office of the U.S. Courts, AOUSC.

For 1987, the AOUSC is authorized 1,114 CSO positions nationwide. They are requesting another 240 CSO positions in 1988 for this vital function. By comparison, there are 1,227 Capitol Hill Police currently authorized.

In another instance, Judge Charles Brieant in New York was sent a box of poisoned valentine candy early last month from a

person convicted six years ago of manufacturing LSD. And, a deranged mental patient was recently captured outside the courtroom of Senior Judge Ted Milburn of the sixth U.S. Circuit in Chattanooga, Tennessee. The individual had vowed to kill both the President and the Judge.

When placed in the context of more dangerous and longer court proceedings, a growing number of threats and violence--plus added responsibilities such as the Tax Court and the Court of International Trade--Marshals Service judicial security needs become critical. For 1988, we request an additional 160 positions and $8,126,000 for enhanced judicial security, including 42 positions and $2,263,000 to meet new security requirements directly resulting from the government's accelerated efforts to capture major drug dealers and bring them to trial.

The amounts requested for judicial security represent both the increased workload in the area and the true cost of conducting these operations. If we are to fully staff high security trials, protective details and the like, we must use out-of-district deputies. Not only does this help maintain ongoing district activity, it would be impossible to conduct proceedings for the Macheteros or Lehder-Rivas in the venues selected without outside help. No district can afford to assign 30 deputies--even if they had that many--for up to six months and hope to keep operating. They must receive support from other districts. The request reflects this reality.

Witness Security and Protection

To obtain convictions against major drug dealers and organized crime members requires testimony from people with the courage to testify against these elements. Since its inception, the Marshals Service's Witness Security program has been the government's most effective way to obtain such testimony and safeguard both witnesses and their families. In trials where protected witnesses testify, four out of five result in convictions.

The recent murder of drug informant Barry Seals demonstrates the measures criminal elements will take to prevent such testimony. Seals, who testified against the Medellin cartel, refused our offer of protection, and was murdered last year in New Orleans. Had Seals accepted our protection he would still be alive, and available to testify.

By 1988, it is expected that over 5,900 protected witnesses will be in the program, a 14 percent increase above the 1986 level. They will be counted on to provide crucial testimony at a number of major trials, including the aforementioned Macheteros, United Freedom Front and Lehder-Rivas proceedings.

We are requesting an additional 36 positions and $1,141,000 for witness security in 1988 to continue to meet the complex and costly needs of protected witnesses and to operate the new assessment center and safesite in the Washington, D.C. area. If the government is to continue to rely on the valued testimony of these witnesses, it must be willing to provide the safe

atmosphere, maximum security and humane services necessary to protect these people both before and after testimony.

Also, we are once again requesting that the Protection of Witnesses program be transferred from the Fees and Expenses of Witnesses appropriation to the Marshals Service appropriation. Protection of witnesses comprises a small portion of the Fees and Expenses of Witnesses and is distinctly different from the rest of the activity funded by that appropriation. About two-thirds of the expenses charged to Fees and Expenses are handled by U.S. Attorneys and involve obtaining fact and expert testimony in non-threatening situations. The remaining one-third of the funds are used by the Marshals Service to ensure endangered witnesses are protected and remain available to testify in major criminal cases. Witness protection costs, such as subsistence and travel for witness/family visits, and safesite construction, are directly related to the Marshals Service's Witness Security Program.

Placing this program in the Marshals Service appropriation corrects the historical anamoly of having two separate funds provide for like functions, and improves overall program management by having all activities associated with the safeguarding of endangered witnesses handled in a single appropriation. It makes sense, both programatically and administratively, to include the Protection of Witnesses program in the Marshals Service appropriation.

Handling of Federal Prisoners

The demands placed on the Marshals Service for timely and efficient prisoner production continue to grow. We now receive and process over 90,000 prisoners annually, with each prisoner being produced for court or similar proceedings an average of three or four times.

We also expect to conduct 180,000 prisoner movements in 1988, almost 100,000 of which will be via the National Prisoner Transportation System, NPTS. This represents a one-third increase in NPTS moves in just two years.

Considering the safety afforded the public, our personnel and the prisoners themselves, as well as comparative costs, NPTS is the best way to move prisoners long distances and produce them within court-ordered deadlines. The cost of an average Marshals Service airlift is $112 per prisoner, more than six times less expensive than commercial air trips.

NPTS allows us to realize safety and economies of scale not obtainable on commercial airflights. On NPTS flights we can transport 90 prisoners with seven deputies; on a commercial trip a single prisoner requires two deputies.

As more and more major drug and organized crime figures are apprehended, greater reliance must be placed on NPTS for secure and prompt prisoner movement. To ensure continued efficiencies in ticketing and scheduling, to perform aircraft maintenance and training, and to deploy a second large aircraft to meet the growing transportation needs, for 1988 the Marshals Service requests an additional 10 positions and $4,047,000.

In addition, the relocation of the District of Columbia U.S. Attorney and grand jury facilities and service needed in support of the District of Columbia Superior Court present us with unique requirements. Another eight positions and $1,106,000 are requested to ensure proper handling of prisoners to and from Judiciary Center and D.C. District and Superior Courts; to construct a cellblock for grand jury detainees at the Judiciary Center; and to relocate Marshals Service personnel and equipment from the District Courthouse to D.C. Superior Court.

Fugitive Investigations

The Marshals Service places special emphasis on the investigation and apprehension of those fugitives with histories of violence, organized crime and narcotics activity. Last year, the Service cleared nearly 56,000 warrants and arrested over 14,000 felons, more than 20 percent of whom were wanted for drug-related offenses. These arrests were made as a result of our own criminal investigations and on behalf of federal agencies lacking arrest power.

The Fugitive Investigative Strike Team concept, FIST, once again produced significant results. The 1986 FIST operation in the southwest United States and Mexico captured over 3,500 fugitive felons at a cost of only $495 per arrest. And mini-FIST operations in various cities yielded another 5,000 felons. Since this program began, almost 20,000 felons have been apprehended. By any measure, programmatic or economic, FIST is the safest, most cost-effective method yet devised to apprehend large numbers of fugitives.

Furthermore, our "15 Most Wanted" program is one of the most visible ways to maintain public awareness of the most dangerous fugitives and concentrate our investigative resources. In 1986, 10 individuals on the top 15 were apprehended, including bankrobbers/kidnappers William Dougherty and Terry Connor, and Eugene Gesuale, a member of the Genovese crime family responsible for operating a multi-million dollar narcotics operation. Since the Top 15 program began in 1983, 44 felons on this list have been apprehended.

Finally, as the fugitive problem assumes international proportions, our extradition responsibilities grow increasingly important. By 1988, we expect to conduct 250 international extraditions, almost twice the 1986 total. The people we extradite are among the most dangerous in the world, and include Latin American drug dealers such as Jose Antonio Cabrera-Sarmiento and Severo Escobar.

Requisite security, travel precautions and coordination with other federal agencies and foreign governments make this activity both dangerous and costly. We are requesting another $300,000 in 1988 to ensure adequate resources are available to meet both the additional extraditions and the rising costs and security precautions required for this function. For the War on Drugs to be successful, people like Sarmiento and Escobar must be extradited promptly and safely.

Court Orders

Marshals Service responsibility for executing court orders remains constant. Through 1988, we project to serve 300,000

pieces of process annually, about two-thirds in person. Over 200,000 pieces are served on behalf of other government agencies; much of it relates to debt collection matters. The remaining 30 percent is served on behalf of paupers and in response to court orders.

Section 39 of Public Law 99-646 allows the Marshals Service to collect fees related to the service of non-pauperous civil process, admiralty seizures and similar functions and to credit these fees to our Salaries and Expenses appropriation to offset costs incurred in providing these services. The Department's current legislative proposal seeks to expand this authority by allowing us to charge fees covering the full cost of serving private process.

Presently, we collect $3 for every piece of private process. However, the true cost is $18-$20, the difference being subsidized by the Nation's taxpayers through the Marshals Service appropriation. We propose charging the full cost for such process and using the proceeds to offset our expenses for providing this service. This is one way we can continue to meet demand while not overburdening our appropriation.

Organized Crime Drug Enforcement

The Marshals Service also plays an important role in support of Organized Crime Drug Enforcement Task Forces initiatives. In addition to providing witness protection, prisoner transportation and court security, Marshals Service personnel actively participate in drug, financial and other Task Force

investigations. Our commitment to Task Force efforts is reflected throughout our program areas, and will continue to grow as the government's efforts in this area intensify.

Management and Support Services

As our operational responsibilities increase, it becomes vitally important that proper management and support services be provided to augment this activity. In the past few years, we have done much to improve the quality of the administrative service and systems available to support our program mission.

For example, the law enforcement training provided at the Marshals Service Training Academy ranks among the best in the world. Overall, nearly 2,000 Marshals Service and other law enforcement personnel were trained at the Academy last year, including over 400 candidates who successfully completed basic deputy training.

We are also becoming a recognized leader in survival and anti-terrorist training at our Special Operations Group Training Center in Camp Beauregard, Louisiana. At the request of the Department of State, we have trained groups such as the Federal Judicial Police of Mexico, the Costa Rican Rural Guard, and similar organizations on a reimbursable basis. This training not only produces tangible benefits for foreign law enforcement, it improves cooperation and goodwill.

Last year we successfully implemented a wide range of administrative improvements including enhancing recruitment and application techniques, establishing requirements for EEO

training, and handling increased demands for transportation, space and materials management. Progress was also made in improving ADP and information systems for warrants, prisoner management, witness security and accounting.

However, administrative support has not kept pace with operational demand. Program increases generated from the Comprehensive Crime Control Act and the most recent anti-drug initiatives have outstripped our ability to support them. In a law enforcement agency that must respond to operational demands, management improvements, equipment purchases and the like must necessarily come after the provision of emergency services. But, we have been unable to keep pace with program needs to the point that our internal control reviews demonstrate deficiencies exist in areas such as ADP, information systems and building security.

To begin to redress this situation, in 1988 we are requesting 10 positions and $3,481,000 for badly needed management improvements. This includes four positions and $1,341,000 for ADP enhancements for threat analysis, prisoner transportation and district automation. Right now, less than one-third of the districts are fully automated. Full automation is necessary if we are to address the ever-increasing demands for more and better information in response to program needs.

Another six positions and $600,000 are requested for enhanced management and administrative support. This includes the employee development, personnel and administrative services necessary to support the Service's growing operational mission.

Finally, $1,540,000 is needed for cellblock and prisoner handling area renovations. Upwards of 20 percent of our cellblocks are in urgent need of renovation. This will provide funding for five of the most critical projects.

Support of U.S. Prisoners

Comprehensive Crime Control Act initiatives such as Bail Reform have swollen our prisoner population to the point where we now house nearly 8,000 prisoners a day, 30 percent more than we did two years ago. Two-thirds of these prisoners are in contract facilities, the average daily rates for which have almost tripled in the last decade. By 1988, we expect to use 1.7 million contract jail days, 20 percent more than in 1986.

Given these circumstances, it is not surprising we needed two supplementals in 1986 and have another pending in 1987 to meet our prisoner needs. However, statistics alone do not adequately portray the problem. They don't fully show how a court order in Puerto Rico results in housing up to 100 prisoners as far away as Miami and New York; how prisoners are sent 300 miles from Oregon to Boise, Idaho, for lack of closer jail space, or the results of sending prisoners from Rhode Island and Massachusetts to New Hampshire and elsewhere because of overcrowding. The drain on our resources, both personnel and funding, are enormous. To meet our immediate needs for prisoner support, we are requesting $71,914,000 in 1988 for care of U.S. prisoners, $7,284,000 above the 1987 appropriation anticipated. This increase is necessary to meet the over 108,000 day increase

in contract jail days and the almost $2 increase in average jail day rate anticipated for next year, from $37 to $39.

Another $5,000,000 is requested for the Cooperative Agreement Program, CAP, for two major agreements to provide an additional 250 guaranteed bedspaces for up to 15 years. This CAP increase will allow us to obtain detention space in critical shortage areas.

As the length of stay and number of prisoners continues to grow, both federal and local facilities are increasingly unable to meet these demands. Clearly, a comprehensive solution is required. Towards this end, we are working with the Bureau of Prisons, Immigration and Naturalization Service, other Department of Justice agencies, and state and local correctional experts to develop long-term recommendations about the care and housing of federal prisoners.

Seized Assets Program

In order to have any effective leverage against vast criminal enterprises, you must stop their illegal profits and turn them to positive advantage. The seized assets program provides just such a vehicle.

The Comprehensive Crime Control Act of 1984 supplied the basic authority to seize illegal assets. Moreover, recent amendments included in the Anti-Drug Abuse Act of 1986 significantly expand this authority by allowing law enforcement agencies to use these profits to fight crime and drug abuse. Now the Marshals Service and other Department of Justice

agencies can use these proceeds to equip vehicles and aircraft for drug law enforcement purposes.

These funds are also being used to improve assets management systems, which directly contributes to enhanced property value and increased return on sale. And, it does much to eliminate any management weaknesses previously identified with assets management.

Thus, we are able to achieve maximum return on the criminal's investment, deprive him of his source of income, and use his profit, all at no real monetary expense to the government. To maintain this progress requires we continue to improve our ability to manage and dispose of these assets in a business-like manner.

Real property, which accounts for 40 percent of the property seized, presents the Service with its greatest challenge in the management of assets. We have made significant accomplishments in this area, and we continue to learn.

Recent success stories are encouraging. The Shelburne Glebe estate in Loudoun County, Virginia, worth an estimated two million dollars, was targetted in a major drug investigation by the mid-Atlanta Organized Crime Drug Enforcement Task Force. This historically significant property was seized, managed, and eventually sold by the Marshals Service for more than four million dollars, twice the appraised value.

In late 1986, the Marshals Service also moved to get out of the foundry business. Since its seizure in November 1985, the United States Marshal for Eastern Wisconsin oversaw the

continued operation of the Accurate Brass and Aluminum Foundry, Inc. We kept it running, met the payroll and actually turned a profit. Now that the owner has been convicted, we hope soon to close the sale of this foundry, and expect a net return of $1,000,000.

In January, we left the flower business when the business known as "Pardon My Garden", on Cape Cod, Massachusetts, was sold for almost $600,000. The business was operated under the control of the Marshals Service since it was seized in September 1985. As in the case of the Foundry, we were able to maintain the value of the business, keep the employees working, avoid the costly process of shutting-down and wound up selling the business at a profit. Other recent sales of properties in Ft. Lauderdale, Miami, St. Augustine, Palm City and Key West yielded over $7,000,000.

Currently, we are in the process of selling many other properties, including a golf course in Michigan which, while it was under seizure by the Marshals Service, won a prestigious landscaping award. We are also marketing commercial properties in Dallas and Houston formerly known as the Cutter Bill Western Wear Stores, and hope to realize another $5,000,000 from the sale of these two properties.

Seized cash, which accounts for 37 percent of all property seized, also represents an area of concern for the Service. As a result of our efforts in improving the handling of seized and forfeited cash, we saved the United States an estimated $3

million through effective cash management in 1986 alone. These savings are expected to continue to grow.

Another important aspect of this unique program is the ability to share benefits with assisting law enforcement agencies. In 1986, we disbursed over $17 million to assisting State and local law enforcement agencies through the equitable sharing program. We estimate sharing disbursements in 1987 to be $28 million.

As of December 31, 1986, we had nearly 6,000 properties on hand worth over $423 million. This included $149 million in seized cash. By 1988, we expect the total value of seized assets to be in excess of $600 million. In both 1987 and 1988, total income to the fund is estimated to be $140 million.

The establishment of the Assets Forfeiture Fund has truely been a timely benefit to all involved in the war against drugs. By improving our mangement techniques and realizing maximum profit upon sale, we will ensure that the success of this program continues.

Conclusion

In summary, I must emphasize we face a crossroads in the administration of justice. The ultimate disposition of drug and organized crime elements must be through the force of law and the workings of the criminal justice system.

What distinguishes us from other nations is our sense of justice and fairness. If we are to preserve this system of justice, we must have the will to enact measures which protect

society and the firm resolve to enforce them. We at the Marshals Service are committed to this endeavor and, with the resources presented in this request, we are confident we can fulfill our obligation.

This concludes my prepared statement, Mr. Chairman. I shall be pleased to answer any questions the Subcommittee may have.

BIOGRAPHY OF ROBERT J. HAYES

Robert J. Hayes joined the United States Marshals Service in October, 1985, after holding various budget positions with ACTION, the Voice of America and the Department of Housing and Urban Development. Prior to working for the Federal Government, he worked for the City of Syracuse, New York as a research analyst, and later as Deputy Director for Program Evaluation.

Mr. Hayes was born in Brooklyn, on April 3, 1950. He received an A.B. degree from Syracuse University in 1972, and an M.P.A. from Syracuse's Maxwell School of Citizenship in 1973. He is married and has one child.

U.S. MARSHALS SERVICE ACT OF 1985

Mr. DWYER. Thank you, Mr. Morris.

Just prior to the conclusion of your statement you mentioned legislation. Are you planning to reintroduce the Marshals Service Act of 1985?

Mr. MORRIS. We have a revision that we have submitted to the Department of Justice for review, and it is our hope that following that review and clearance through the Office of Management and Budget, that we will introduce a revised version of that legislation in the near future.

Mr. DWYER. What are you trying to accomplish with this Act?

Mr. MORRIS. Well, we will see how it comes through the process. As I mentioned in my conclusion, the role of the United States Marshal was established in 1789, under the initial judicial act. Many of our basic statutes go back to 1789 and it is a hodge-podge of the various laws and the like. We want to clean that up. We want to establish in statute the position and the role of the United States Marshal and the Director, and we want to make a number of improvements in the law.

One area I would tell you, for example, we have historically—I mean historically going back to the days in which Wyatt Earp would call together a posse—hired guards to assist us. Now, with the various changes in personnel procedures and the like. We need to clarify authority to hire guards and other temporary services. It's those kinds of areas that we think need to be clarified and improved on.

Mr. DWYER. There has been, apparently, some reservation expressed by a number of judges over the last few years that the Service, through its fugitive activities and its sting operations, is getting away from their primary role of serving the court and is seeking to become a major law enforcement agency. Would you like to respond to that?

Mr. MORRIS. Well, I think we are a major law enforcement agency. A few judges—and they are a small minority—believe that the function of the Marshal should be as a bailiff in the court, providing various servile kinds of services. That is gradually fading out, but there is some unhappiness with that as a change.

There is also some unhappiness that the Marshals are required to operate under policies and procedures from its headquarters. That has caused, I think, some degree of concern on the part of a minority of the judiciary.

The reality, of course, is that all the functions that we do today are precisely the same functions that we did in 1789. What is going on with the Marshals Service is major changes that are going on in

the Federal criminal justice system itself, forcing major changes upon the Marshals Service.

In the days in which the FBI handled Dyer Act cases, car theft cases, and in the days in which civil proceedings were the primary focus of the Federal court, the Marshals could basically hang around the courthouse and get the water pitchers filled and wait around for a specific law enforcement mission. Those days are gone. The nature of the prisoners, the threats against the judiciary, the growing fugitive problem, the seizure of assets, the need to protect witnesses in organized crime and drug trafficking trials have changed the nature of what the Marshals Service does. But those changes have been directed both by the Congress and by the Attorney General and by the changes in the courts themselves.

JUDICIAL SECURITY

Mr. DWYER. Was judicial security a problem in 1789?

Mr. MORRIS. I think judicial security is probably a greater problem now than it ever has been in our history. But the answer is yes. I know that in many cases when judges rode the circuits through all the various areas, given the attitude of locals about the Federal Government, the Marshal was providing security to the judge who made such moves. Of course, in Pennsylvania, in the Whiskey Rebellion, if we take our history in 1793, that whole Whiskey Rebellion began when the people kidnapped the marshal who was trying to carry out an order of the judge, and George Washington had to call in the troops. So the threats and the anti-Washington feelings go back a long way.

Mr. DWYER. Do judicial security personnel fill the water pitchers, and demand that you test the water? [Laughter.]

Mr. MORRIS. I hope not.

Mr. DWYER. What do you do with—the case of the poisoned candy was interesting—what do you do now, just put out an order or suggest an order that judges not take any candy home?

Mr. MORRIS. Well, he didn't take it home. It was sent to his home. I would encourage all senior Federal officials who may have enemies not to consume packages of candy sent to them from sources they do not know. On the other hand, I told my daughter, when she was five, the same thing. [Laughter.]

thing. [Laughter.]

Mr. DWYER. For Halloween.

Mr. MORRIS. Yes.

Mr. DWYER. Who has the final say over a deputy marshal who is present at courtroom proceedings?

Mr. MORRIS. The judge.

Mr. DWYER. The judge. What percentage of courtroom proceedings occur without the Service security?

Mr. MORRIS. You mean without——

Mr. DWYER. Without a deputy marshal being in the courtroom.

Mr. MORRIS. Let me take a step back. Back in the beginning of the Administration in 1981 and 1982, it was agreed to by then-Attorney General Smith and Chief Justice Burger that a deputy would be present whenever there was a security need for his or her presence, but that there was no automatic requirement that when-

ever the judge was on the bench that there was to be a deputy marshal in the courtroom. We didn't have the resources to do that, nor did it provide really adequate security.

Let me give you an example. At a status hearing, a judge calls the two attorneys in and he is having a status hearing between two lawyers. Or let's take another case. We've had a long-running case on General Motors here, or an antitrust case. Sitting a trained law enforcement officer in the courtroom for the pendency of that trial is not providing security for the judge. The security the judge really needs in this instance is protection at the perimeter; that is, that nobody can enter the courthouse armed and we screen them at the beginning. That is what the court security program is intended to do, so that we can have trained Court Security Officers screen devices at the entrance.

The agreement with the judiciary was that we would not be required to be in court all the time, but that we would manage that Court Security Officer program so that the perimeter of the courthouse itself was secure, and then we would not have to waste a resource by simply having a deputy sit in the courthouse. Instead, he could be doing other jobs, serving processes, seizing assets, protecting witnesses or moving prisoners and the like.

Mr. DWYER. All right. In a particularly sensitive case, where the judge is at high risk, do you provide 24-hour service for that judge?

Mr. MORRIS. Yes. A little later on in the hearing, in the closed session, I would like to talk in more detail about that.

ISSUE OF VENUE

Mr. DWYER. One other question. Who determines the venue? You mentioned a couple of really sensational arrests and they are going to be very sensational trials, from everything I read about in the papers. Who determines the venue?

Mr. MORRIS. The court where the case is originally brought determines the venue—for example, Carlos Lehder, the first and primary case there in the extradition agreement that venue is the Middle District of Florida.

However, the court has the authority to change the venue, and as a matter of fact, I know an issue of some interest to Congressman Early, is this particular trial in Boston of alleged terrorists Levasseur and Manning, a very difficult case. This morning—as a matter of fact I think it has just happened—the judge in that case is going to rule on a change of venue motion and is going to move that case out of the First Circuit, I believe.

But the judge can make that determination unless there has been an extradition related to it which might bind the court.

Mr. DWYER. Well, I know that the judge is the one who makes the determination, but does your Service have some input there?

Mr. MORRIS. Yes, sir.

Mr. DWYER. It would seem to me that some of these trials might be better off in western Montana or somewhere.

Mr. MORRIS. Well, yes.

Mr. DWYER. Than in Miami.

Mr. MORRIS. As a matter of fact, in that particular case—let me measure my words here—the United States opposed the changing

of venue; that is, because of the nature of the case. On the other hand, we spent some time talking to the judge about security issues because in these cases we really have a primary responsibility to the judge and that may or may not be exactly parallel with the interest of the U.S. Attorney, which puts us sometimes in an awkward posture—if that makes any sense to you.

STATE AND LOCAL SHARE OF SEIZED ASSETS

Mr. DWYER. It does. You mentioned you have been able to share some of your profits from the arrests with the State and local authorities. Are they always satisfied with their pro rata share of the gains, or do you have a lot of debate and dialogue going on back and forth?

Mr. MORRIS. Well, nobody is ever satisfied in this. It depends a little bit on the nature of the case. The process, however, I think, is important to note. The initial determination is made by the investigative agency, the FBI or DEA or INS. Then they make a recommendation which is reviewed both in DEA and by the U.S. Attorney. Our role here is fairly modest. We simply write the check.

There are some concerns that the Attorney General is addressing that there have been delays in the processing of some of those sharing requests, particularly at DEA, and it is obvious the problem is that DEA employees thought they came into this job as being DEA agents arresting drug traffickers and they find themselves being grant managers. There are obviously some initial adjustment problems, but I think they will be worked out.

Mr. DWYER. Mr. Smith?

SEIZED ASSETS

Mr. SMITH. Have you gone into seized assets?

Mr. DWYER. Not yet.

Mr. SMITH. Tell us about seized assets. What has happened in the last year? Are there any more problems? How is it working?

Mr. MORRIS. Oh, I think it is working increasingly well. It is an odd job in some ways for a law enforcement agency to be doing, and I think we have learned and we have made some mistakes. We find ourselves dealing with issues that we never thought we would have to deal with.

One particular concern of ours, which I talked about with some degree of specificity recently in Tucson when all the United States Attorneys were meeting with the Attorney General, is our relationship with the U.S. Attorneys. Whereas the initial seizure order is an important step, there is an essential step even before that. That is, we make a strong case that the United States shouldn't be out seizing property of no value. One way to determine whether there is any value is to assess both value and liability. Obviously if you seized a bunch of crack houses in New York and they're all mortgaged to the hilt, they are of no worth. If we seized them, we would not be running a seized-asset program, we would be running a seized-liability program. I don't think that was the intention of Congress in passing the law. So there needs to be some care at the beginning of the program.

A year ago that was a problem. Today that is much less of a problem. We are building new relationships here because when an investigation is going down, usually the Marshal knows about it when the prisoners get brought to him and we book them and begin taking care of it. Now, suddenly we've got to be a part of the investigation at the front end because the seizures occur at the same time the arrests occur. So that is a new set of relationships. I think that is working better.

Another aspect that is perhaps more difficult is what happens after the seizure decision. The United States Attorneys have all kinds of different jobs and responsibilities, and they have a need to go off after they have made a case and handle the new cases. We then come along and say we need to have you now do the second order of the case; that is, we now need to try the property and get it forfeited because, just like General Motors and Ford, I don't like inventories.

We keep trying to get rid of the property as fast as possible—for a lot of reasons: one, although we think we're managing a lot of it well, if we were really good at managing this stuff, we'd probably be out making a lot of money managing condominiums and businesses and the like, rather than the jobs we're doing.

Secondly, we can't put the kind of capital into an ongoing business that is necessary in many cases to keep at it. So the longer we have an operating business, the more difficult it is to maintain its value.

The U.S. Attorney has a number of concerns and may not assign as high a priority to the disposal of the property, the ancillary hearings and the related issues as we do in trying to clear title. For example, we may have a property in seizure and if the fugitive is gone, title insurance companies don't know how to give a clear title transfer in that area. So we need a lot of legal help, and the U.S. attorneys have not always been available in the past to help us with that. As I say, we had quite a lengthy discussion of that, and I think it will, like the earlier problem, be resolved.

PROTECTING LEGITIMATE CLAIMS TO SEIZED PROPERTY

Mr. SMITH. How do you get around this problem? Let's take a simpler case now, of a house, for example, and the question inevitably arises as to whether the owner really knew it was being used for illegal purposes. How do you protect the rights of or do what's right with the owner in that case without endangering the raid?

Mr. MORRIS. Well, that is a difficult issue. That is why the preseizure part of this planning is so important. That is, right when the case is being developed, we want to be involved in what the various targeted properties are and we want to be able to go out and check the title on that property and we want to have some sense of whether or not that property has some relationship to illegal activity that the suspect has been involved in. We just do that as carefully as you can.

Then there is a series of protections in the process. That is, if we go and seize the property and we have made a mistake, we can pay through remission and mitigation for that mistake out of the fund. We have had to do that in a couple of places.

Or, in some cases, the property has been litigated and the courts have determined for one reason or another that it wasn't a part of the case or, a more serious instance actually that seizure had been pled away in a separate case in another jurisdiction.

It is a very complex area and one that I would not want to fool the committee does not have some difficulties. But I think in general, given the short period of time that we've been involved in the program that we're doing quite well, and in a number of cases I think we've got some really good success stories. And we did return over $50 million to the Treasury last year.

JUDICIAL SECURITY

Mr. DWYER. Mr. Mollohan?

Mr. MOLLOHAN. Thank you, Mr. Chairman.

Director Morris, I want to commend you. You must be doing something right in your property seizure and management program. We have had several foundries in my district in West Virginia go bankrupt during the period of time that you are representing; you are successfully running this one.

Mr. SMITH. You couldn't compete with them? [Laughter.]

Mr. MOLLOHAN. Yes, I was going to follow up on that a little bit. [Laughter.]

But that's not an easy period in which to be successful running a foundry.

Director Morris, during your discussion on the difficulties of maintaining judicial security, you mentioned that Carlos Lehder has threatened to murder Federal judges if ever brought to trial in the United States. Are those threats directed towards the judge who would be presiding over this trial, or directed at random judges throughout the country?

Mr. MORRIS. No. They are very general, and when we go into closed session, I would like to discuss that in detail.

REFUSAL TO ENTER WITNESS PROTECTION PROGRAM

Mr. MOLLOHAN. Okay. I will back off of that for the moment.

Why did Barry Seals refuse protection?

Mr. MORRIS. My understanding was that he did not want to follow the normal requirements of protection and felt reasonably secure in Baton Rouge. It was offered to him. We never got to the phase of actually sitting down and going through the memorandum of understanding process with him, but protection was offered both by the investigating agency, DEA, and the U.S. Attorney.

Mr. MOLLOHAN. Would that be a subject that would better be explored after we go off the record?

Mr. MORRIS. We can certainly try to do that in general terms. I don't know the detailed specifics on Mr. Seals's refusal, however.

DRUG-RELATED ARRESTS

Mr. MOLLOHAN. You mentioned that 20 percent of the felons arrested last year were wanted for drug-related charges. Would you expect that number to increase in the next few years, and if so, at what expense to investigations of other types of crimes?

Mr. MORRIS. Well, yes, I would expect it to increase. As one sees in the Federal prison system, the number of individuals serving time for drug offenses has increased dramatically over the last three or four years. I think the order of 35 percent.

Mr. ROPER. Up from 27 percent to 37.

Mr. MORRIS. That is fairly significant. Well, when those people complete their sentence, if they violate parole or probation or something, they become fugitives, or they may escape. Then in many cases at the front end of the system, there is bond jumping and the like. So I think that, given the thrust of the administration to deal with drug trafficking, drug fugitives will grow significantly. Currently, of the 20,000 Federal fugitives we are responsible for pursuing, we have evidence there are about 8,000 who were originally arrested for drug related offenses. That is really 40% of our caseload. I think that will continue to climb.

Mr. MOLLOHAN. Does that increase in drug-related investigations detract from your investigations in other areas?

Mr. MORRIS. Well, we believe that drug fugitives ought to be targeted more effectively, and we have had some discussions with both DEA and the FBI and the Department on doing that. We are probably going to concentrate more attention on that and less on the fugitive investigative strike team initiative, the sting kind of things we did in past years, because of the growing drug problem.

ADP INITIATIVE

Mr. MOLLOHAN. You asked for additional resources for your automated data processing requirements, and you indicated that you needed support in the IBM personal type computers and that you have over 300 different offices with some of them having this capacity and some of them not.

As you explore equipment and software programs to meet that need, do you lay down design criteria requirements or do you invite them to meet performance requirements with their own suggestions? Do you understand the distinction I am trying to draw there?

Mr. MORRIS. Yes, I do. I am not sure I understand as well as I perhaps should, the complexities of the procurement process. But we tend to set down our own design criteria and our needs down and we will let people compete against that. We are not, as I mentioned, talking about anything here from a computer standpoint that is terribly sophisticated.

What we are doing is trying to keep track of our basic activities. I make a joke, that until quite recently in some of our districts we kept track of prisoners on a chalkboard and kept track of process and payments in a ledger, not dissimilar, probably, from what the first Marshals did in 1789. So we are looking here at basically using the small computers—because of the incredible capacity that a lot of the PCs have to do a lot of things for us. But I think that we are basically laying out our design criteria and letting people compete against it. I used the IBM PC only as an example because I think we've got a series of different vendors that have indicated an interest in competing for this work.

Mr. MOLLOHAN. Do you find that laying down the design criteria tends to limit the number and variety of providers that are able to participate in the bidding process?

Mr. MORRIS. I don't think I am informed enough to answer that at this time, but let me try to have my people who know more about this than I do, provide a fuller and more accurate explanation for the record.

Mr. MOLLOHAN. If you would, I would appreciate it. Thank you.

[The information follows:]

PROCUREMENT OF ADP EQUIPMENT

In the Service's procurements of ADP equipment for our field offices, for both single user microcomputers and multi-user super microcomputer, the Service sets technical requirements based on the processing to be performed by the system. For single user micros, we have set our requirements as IBM PC-At compatible systems. There will be a procurement for this type of equipment in the near future. The number of bidders is expected to be quite large (a very open competition). In regard to multi-user super micros, the Service has set processing requirements and also requires that the equipment support the Unix operating system and the Unify data base management software. Unix and Unify are required because that is the environment under which our prisoner and accounting systems were developed. Any other environment would require a major program conversion effort. Nonetheless, these restrictions still allow for a large number of bidders to compete. We believe that a very full and open competition is possible and will occur as the Service goes forward with its procurement actions in this area.

ASSETS FORFEITURE

Mr. MOLLOHAN. Have you ever considered— following up on the chairman's line of questioning a little bit—have you ever considered establishing some sort of victims compensation fund with the proceeds of your seized assets?

Mr. MORRIS. There is a Victims Compensation Fund that comes out of criminal fees administered by the Department of Justice. There have been a number of inquiries about how to use what has been rumored to be hundreds of millions of dollars in the——

Mr. MOLLOHAN. And you wish it were true?

Mr. MORRIS. And I wish it were true. [Laughter.]

My own suggestion here, which has no endorsement beyond the person sitting at this table, I might add, is that I would like to see some of those resources go into the jail problem, because I have a very serious jail problem. But I am one of a long list of people who have ideas about how to spend this money.

Mr. MOLLOHAN. How much money is involved again? $50 million, was it?

Mr. MORRIS. Well, we returned $50 million to the Treasury last year. We are looking at receipts this year on the order of about $140 million.

Mr. MOLLOHAN. Wow. That's a tripling. Do you expect that to be a trend into the future and multiplying?

Mr. MORRIS. Well, at some point in time we expect that—I think when I was before the committee last year, I told it that I thought by the end of the fiscal year we're talking about that we would be approaching a half a billion dollars, and we are. And we are looking at about $600 million in terms of the value of assets.

I think as we get better at targeting them and as we use some of the funds more creatively, I think that we could be—I don't think I

will reach the billion-dollar phase any time soon, but I don't think it's unrealistic to think that we will have three-quarters of a billion dollars.

[CLERK'S NOTE.—The following information was submitted for the record subsequent to the hearing:]

ASSETS FORFEITURE FUND

Income to the Fund in 1986 totalled approximately $93 million. After expenses and other authorized payments, a balance of approximately $55 million remained. Of that, $50 million was transferred to the Treasury, and $5 million remained in the Fund.

In 1987, we anticipated income of $140 million, approximately 50% higher than 1986 income.

Income is derived from forfeited assets. Thus the value of seized property in our custody allows for some general idea of what potential income to the Fund will be in the future. It is not unrealistic to think that we will have an inventory worth three-quarters of a billion dollars, but since it is unlikely that the entire inventory will ultimately be forfeited, and because other factors will reduce the value of the inventory, income to the Fund will be considerably less.

OPERATION AND USE OF SEIZED ASSETS

Mr. MOLLOHAN. What kind of statutory or regulatory requirements do you operate under as you administer and dispose of this fund?

Mr. MORRIS. Well, this is relevant to my discussion Congressman Dwyer, at the beginning. One of the reasons that we need some changes in our legislation is because we are probably not following to the letter all the various procurement rules and requirements when we run a business, and we are not quite sure if we're going to need some exemptions and changes and adjustments. For example, in the area of getting somebody to do title searches, we obviously can't go out and say we're going to seize the following properties. Maybe we need somebody to come in and do title searches. So we need to have some of the same kinds of protections the Congress has given us in the Witness Protection Program. We will probably need to parallel that a little bit.

Obviously, we're still inside the law, but this is an area where there are so many different rules, regulations, and laws that impinge. For example, suddenly we are running a florist shop and putting money into expansion or hiring people or something—it is the United States taking this responsibility—and I am not sure it meets the normal standards of a Government agency doing business.

Mr. MOLLOHAN. Well, let me ask it this way. How do you spend the proceeds from your asset seizures? Would there be assets or the operational profits of it?

Mr. MORRIS. Well, we can use the fund to basically secure the property, pay for counsel, pay for enhancements of equipment. Then basically, when we get to a certain process, we pay for hiring somebody who handles the auction, handles the appraisals. All of that we contract out to various people.

Mr. MOLLOHAN. Assuming you have money left over after you spend money administering and operating the properties, what do you do with the profits?

Mr. MORRIS. Well, some of those funds can, under the new laws passed last fall, go to enhancements in ADP. Ninety percent is

seized assets, some to program management resources and some to retrofitting of vehicles from all the various law enforcement agencies.

Mr. MOLLOHAN. So you can spend those proceeds?

Mr. MORRIS. In very limited areas as identified within the statutes. The remainder of the money was returned to the Treasury at the end of the fiscal year except for $5 million which was carried over in the fund. So it was that $50 million that went to the Treasury last year.

Mr. MOLLOHAN. I see. You return monies back to the Treasury.

Mr. MORRIS. Yes.

[CLERK'S NOTE.—The following information was submitted for the record, subsequent to the hearing:]

CHANGE TO ASSETS FORFEITURE FUND

The Anti-Drug Abuse of 1986 amended the legislation which authorizes the Assets Forfeiture Fund. The requirement to transfer amounts in excess of $5 million at the end of each fiscal year was deleted. Thus, the law currently allows the Assets Forfeiture Fund to retain the entire balance.

PROBLEM OF HOUSING FEDERAL PRISONERS

Mr. MOLLOHAN. One more question, Mr. Chairman.

You mentioned a comprehensive solution to the growing problem of housing Federal prisoners. What is the status of that comprehensive solution?

Mr. MORRIS. Well, we have provided to the national drug enforcement coordinating group committee which was established to deal with this a five-year projection of what was happening in the handling of people who are in our custody.

As I mention in my testimony, that has more than doubled since the beginning of the administration. And we rely heavily on local facilities, and local facilities are overcrowded and there really is no give in the system. All the push to deal with drunk drivers and no-bond decisions and all the rest have caused the sheriffs around the United States to have very serious problems. So, when the Feds are in there—and our prisoners tend to be more of a problem in many cases; they know a little bit more about their rights, I guess, and they cause the sheriffs a lot of difficulties—we are the first ones to be thrown out. So, for example, for Portland, Oregon, we're using the jails in Boise, Idaho, and our Rhode Island prisoners were recently thrown out of the jails in New Hampshire. We had already been thrown out of the ones in Rhode Island and now we're using Otisville, New York.

Moving prisoners long distances like that, the security is——

Mr. MOLLOHAN. You're not taking all this personally, are you?

Mr. MORRIS. No. I blame it on the judges. [Laughter.]

BENEFITS OF COOPERATIVE AGREEMENT PROGRAM

But it has caused us a lot of problems, and really CAP, the Cooperative Agreement Program, has been of great help to us. It ended up guaranteeing us several thousand beds. But we really don't know. We have not put in place a plan to determine whether or not we need Federal jails—because we do have some Federal jails now, Metropolitan Correctional Centers, MCC, in New York, Chica-

go, Miami, San Diego soon to be Los Angeles. We should have a plan for smaller facilities and where we're going to have to rely on the locals.

That's going to cost us, because quite honestly, the U.S. Attorney is taking the position before the judge in which the judge realizes that the Marshal, if he were taking a position, would be recommending bond rather than no bond. If you've got no place to put them, a no-bond decision doesn't make a lot of sense. And then you're beginning to see public defenders and defense counsel complaining because their client is 300 miles away.

Mr. MOLLOHAN. Yes. Does the CAP program, which I am not thoroughly familiar with, involve in some part sharing construction costs with either State and local Government and therefore guaranteeing the Federal——

Mr. MORRIS. That's precisely what it is. It's basically a lease arrangement in which we, by putting some money up front during a construction project, get a guaranteed lease for a specified number of beds. Now, we continue to pay the daily rate, which averages about $37 a day but can go as high as $100 or as low as $15, but we then have a priority use of that facility.

Mr. MOLLOHAN. Is that for renovation and new construction both?

Mr. MORRIS. Right. Yes.

Mr. MOLLOHAN. Is that a program that experience would suggest has been successful and one that you look to expand in order to meet this growing need?

Mr. MORRIS. It has been very successful, and we have spent, I think, about $50 million over the last four years. We have guarantees for nearly 3,000 beds. That is a significantly cheaper option than prison construction. The problem is that——

Mr. MOLLOHAN. You mean cheaper than prison construction by the Federal Government?

Mr. MORRIS. Right. Yes. The problem is that we saturated the good buys in the beginning. To give $300,000 and get 25 beds for 20 years; those kinds of deals aren't there anymore. Now we find ourselves having money given back to us. That's what's happening in San Francisco. We had an arrangement there, gave them over a million and a half dollars; they're giving us the money back because they're throwing the Federal prisoners out effective April 1.

Mr. MOLLOHAN. You mean because they need the space?

Mr. MORRIS. Yes.

Mr. MOLLOHAN. Just one more question, Mr. Chairman.

Were you suggesting, or did I hear part of your suggestion for spending this asset money might be in the area of additional construction of confinement facilities?

Mr. MORRIS. Well, I prefaced that by saying that that was the view of the person sitting at this table.

Mr. MOLLOHAN. Okay.

Mr. MORRIS. It's not shared necessarily by others.

Mr. MOLLOHAN. You think that suggestion merits exploring.

Mr. MORRIS. Yes.

Mr. MOLLOHAN. Thank you, Mr. Chairman.

OPERATION OF SEIZED BUSINESSES

Mr. DWYER. Returning to the asset seizure for just a moment, you speak in your statement about some businesses that made a profit. Have you ever seized a business that didn't make a profit?

Mr. MORRIS. Oh, yes.

Mr. DWYER. What happens then?

Mr. MORRIS. Well, you end up taking a loss and moving on. What has happened in some cases is that we have seized property and we found out that the mortgage holders had 95 percent and the property had deteriorated so much that we actually ended up putting more money in the property than it was worth.

Mr. DWYER. What happens with seized property if you seize a particular type of property and there is no conviction, for whatever reasons? Do you return the property?

Mr. MORRIS. The property is returned.

Mr. DWYER. What has your exposure been on returned property?

Mr. MORRIS. It has happened only a few times. But probably the largest example of it was a major horse ranch in Denton, Texas, called the DKG Ranch. In this case the person went to jail, was convicted, but the Government couldn't make the case that this ranch should be forfeited. When we seized it it was worth about $7 million, and when we returned it to him it was worth about $11.5 million. So he didn't complain very much about the management of his property.

Mr. DWYER. Where did you get the $4.5 million?

Mr. MORRIS. This was just the appraisal. This was the equity—the appraised value. We did spend money, obviously, providing security and the like, and I think the Government has made a case to try to recoup that.

Mr. DWYER. So he got the fee back. But how about in the case of an ongoing business, have you had the experience in an ongoing business where you returned the business, when you took it it was making a profit, returned it, it was showing a loss?

Mr. MORRIS. I am not aware of any circumstance like that. I think probably it will occur, but in those cases we can pay out of the fund through remission and mitigation any losses that were incurred by the innocent party as determined by the court.

Mr. DWYER. How much money has been paid out of the fund for cases like this?

Mr. MORRIS. Through remission and mitigation? $214,000 last year.

Mr. DWYER. I beg your pardon?

Mr. MORRIS. $214,000 last year.

Mr. DWYER. Thank you. In the course of operating a business and it is making a profit every month, do you get to keep that profit, though?

Mr. MORRIS. Yes.

USE OF AIRCRAFT

Mr. DWYER. You are buying an airplane, and I think the justifications refer to a "large airplane." Can you tell us something about your aviation fleet?

Mr. MORRIS. Sure. We are not actually buying an airplane. We acquired through excess from the Federal Aviation Administration—FAA, a 727 jet about 18 months ago. My good friends at the FAA are telling me that they have another one that may be excessed, and we are standing first in line. That would give us two large-body aircraft acquired through excess from FAA, which would allow us to serve 33 cities on a regular basis and move all the prisoners around the United States that need to be moved around the United States.

Right now, given the nature of using a single airplane, whenever it's down, it's down, and all these prisoners tend to build up in all these holding areas. In the past they were moved mainly by bus. We still have long bus routes, from Seattle to Sacramento, for example, we move prisoners on a bus. What we want to do with the extra aircraft is service the Northeast, Northwest, and the like.

We have some smaller forfeited aircraft that serve shorter distances. We have one stationed in Atlanta and several in Oklahoma City, and we hope to get one up here in the Northeast that will help move some of the prisoners out of the Boston-Maine area down into the Federal Prison System.

What is being moved in this prisoner transportation system—and we operate this jointly with the Bureau of Prisons—are prisoners who have now been designated to institutions, prisoners who are being moved out for other trials, and the like, plus prisoners who may be arrested in Los Angeles and tried in Miami. We run the aircraft at about 80 percent of capacity. If Eastern Airlines had operated at 80 percent of capacity, it wouldn't be owned by Continental.

Mr. DWYER. What do you have to pay FAA for the plane?

Mr. MORRIS. Nothing.

Mr. DWYER. Nothing? How does the FAA—I don't expect you to have the answer, but the question in my mind is how do they dispose of that asset?

Mr. MORRIS. When an aircraft or property is excessed, before it is sold, it basically goes through a GSA process, and any other Federal agency that needs it——

Mr. DWYER. The same as a piece of land or other asset?

Mr. MORRIS. That's right.

Mr. DWYER. All right.

Well, thank you, sir. We have some other questions that we will give you and you supply the answers for the record.

Mr. MORRIS. I will do that.

[The questions and the answers thereto follow:]

QUESTIONS FROM MR. DWYER

U.S. Marshals Service

Management and Administration

Question:

Concerns have been expressed about the rising demands on the Marshals Service. Has the Department developed long-term goals and objectives for the Service to use in managing its workload? What plans has the Department formulated for accomplishing its long-term goals for the Marshals Service?

Answer:

In recognition of the central role which the Marshals Service plays in the criminal justice process, the Department has proposed legislation which would elevate the Service to bureau status. This would enable the Marshals Service to function as a full partner while working with other members of the criminal justice system in planning, scheduling, and performing its duties.

As the Comprehensive Crime Control Act, anti-drug legislation and similar mandates increase the workload on all elements of the system, it is essential that the Marshals Service continue to maintain a close working relationship with their clients, i.e., other DOJ agencies, the judiciary and the U.S. Attorneys. This relationship must be based on a mutual exchange of information and a recognition of the specific problems facing each partner. This should result in a comprehensive approach leading to higher levels of cooperation, efficiency and economy.

The increasing demands on the Marshals Service are largely uncontrollable. Once a prisoner is taken into Federal custody, the Marshals Service is required to provide a wide range of services. Obviously, major initiatives on the part of investigating agencies add to the Service's involvement in prisoner handling, witness protection, and assets seizures. The Service must find additional jail cells for unsentenced prisoners in spite of the national shortage of jail space. And, in connection with court proceedings, it must provide protection for the judiciary and all involved in the judicial process. None of these requirements is generated by the Marshals Service, yet it needs to take part in the planning of each step of the process. The Department's proposed legislation would create an atmosphere in which the Marshals Service participation will be most effective.

Question:

On page 35, you present a list of accomplishments and workloads. For the record, please provide a list in the same format, of actual workload to date in 1987 and any revised estimates for total 1987 and 1988 estimates and their impacts on your funding request for 1988.

Answer:

Item	1987 YTD	1987	1988
Public information/congressional responses	4,125	9,900	10,120
FOIA/Privacy Act responses	380	775	875
Administrative tort claims and legal proceedings against USMS processed.	200	375	400
Misconduct allegations investigated by headquarters	73	150*	165
District and program audits/management reviews completed	14	38	38
Preliminary background investigations conducted	188	300	300
Limited background investigations conducted	67	100	150
Background investigations conducted	117	250	275
Personnel actions processed	10,000	25,000	30,000
Employment applications reviewed	8,000	20,000	25,000
EEO complaints filed	11	20	20
Property and procurement actions completed	4,900	10,100*	10,100*
Printing actions	211	800*	800*
Major cellblock and office renovations completed	15	25	25
Major cellblock and office renovations in progress	119	125	130
Space actions processed	50	130	140
Architectural/Engineering reviews	221	590	595

*The minor revision of estimates for misconduct investigations in 1987, and property and procurement actions and printing actions in 1987 and 1988 do not change our funding request for 1988. The relatively modest increases proposed in the areas of employee development, personnel management and general administrative services are needed to support properly the Marshal Services' growing operational responsibilities.

Fugitive Felons

Question:

The number of unexecuted arrest warrants at year end in 1988 is expected to be 37 percent more than at the end of 1986. Why?

Answer:

The Marshals Service arrest or clear rate remains relatively constant and is consistent with the level of resources currently available. However, the number of unexecuted warrants continues to rise faster than the apprehension rate for fugitives. The Marshals Service faces increasing numbers of unexecuted warrants each year.

Question:

How much of the increase in unexecuted warrants involves fugitive felons?

Answer:

The increasing backlog of warrants includes 9,500 felony warrants at the end of 1986 for which the Marshals Service is primarily responsible. The number of warrants represents approximately the same number of fugitive felons, or wanted persons, remaining at large. In 1987, the number of fugitive felons at large will increase to approximately 10,900, and by the end of 1988 will reach 12,900.

Question:

You note that the fugitive strike teams involving Service, State, and local law enforcement officials is the safest, most cost-effective way to apprehend large numbers of fugitives. What percentage of the 20,000 fugitives apprehended through these operations were federal fugitives?

Answer:

The Marshals Service has conducted nine major Fugitive Investigation Strike Team (FIST) operations resulting in 14,770 felony arrests, 1,258 (or 9% of which were based on federal warrants or offenses). The regional FIST operations resulted in 5,000 arrests of which 7% were federal fugitives.

Question:

How much of the operations' costs to date were funded by the Service?

Answer:

The nine major FIST operations cost the Service $11,132,908 or $754 per felony arrest.

Judicial Security

Question:

You use contract guards called Court Security Officers (CSOs) to provide security at checkpoints in court facilities. Why use CSOs? Why not use GSA Federal Protective Service Officers or deputy marshals?

Answer:

From 1978 to 1980 the Department of Justice sought the Office of Management and Budget approval for the establishment of a Judicial Security Officer (JSO) program in the U.S. Marshals Service. The Department proposed to transfer sufficient funds from the

Administrative Office of the U.S. Courts (AOUSC), and positions and employment ceiling from the General Services Administration (GSA) to centralize the management and operation of a judicial security program in the USMS. The Department's proposal would have fulfilled the 1978 recommendation of the Interagency Study Group on Judicial System Security. However, the full-time employment ceiling for 1980 was insufficient to begin a JSO program, requiring the Marshals Service to continue to reimburse GSA for Federal Protection Services (FPS). In 1982, GSA began replacing FPS Officers with private guards. GSA contracted for these private guards who had limited law enforcement experience and could not be supervised directly. This action seriously concerned the U.S. Judiciary. Further, there were insufficient funds to satisfy demands by the judiciary for improved quality and increased quantity of security guards at judicial proceedings. In testimony before the House Appropriations Subcommittee in 1980, the Judicial Branch noted that it was not receiving the level of security it had envisioned.

Therefore, it was proposed that the Marshals Service and the Administrative Office of the U.S. Courts (AOUSC) work to create the CSO program and assume authority for contracting guard services and providing security to judicial personnel and proceedings in judicial facilities. Since then, CSOs have been assigned responsibility for securing the perimeter of court facilities while deputy marshals have provided in-court protection during proceedings involving risk.

Question:

If CSOs cost less, why not use them instead of deputy marshals to provide courtroom security?

Answer:

CSOs do not necessarily cost less; their average salaries are roughly equivalent to those paid to deputy marshals. However, cost is neither the only nor the most important consideration.

The Attorney General's Task Force Report of March 1982 defines the threat level of trials which require the use of Deputy U.S. Marshals. Deputies are the officers of the court who are required by statute to protect and maintain the integrity of the federal judicial system, ensure the personal safety of all federal judicial officers, and maintain an acceptable level of security at all federal judicial facilities. They are highly trained to perform these duties and are both mentally and physically prepared for making and acting on sound judgments in routine and emergency courtroom situations. CSOs are not trained for -- nor do they have statutory authority to handle -- proceedings where the threat level is high.

However, with the endorsement of the Judicial Conference, a Pilot Program using CSOs in courtrooms during low-risk proceedings was tested and deemed successful. As a result, districts are now authorized to assign CSOs to low-risk proceedings when such assignments will not compromise perimeter security.

Question:

You note that judicial security remains the Service's highest priority. As you know, however, many judges believe that too many courtroom proceedings are occurring without the presence of Service security. Do you agree? Please explain.

Answer:

Most decisions to provide security are made jointly between the local marshal and the judge. In 1982, the Attorney General's Task Force Report on Court Security was published indicating the proceedings which require attendance by deputies. The Marshals Service has an excellent track record and enjoys a good relationship with the judiciary. However, limitations on available resources make it difficult to respond in the manner each judge would like, especially in the case of lower-risk proceedings.

Question:

You request a 40-percent increase in positions for judicial security in 1988, from 396 to 556. Considering the increased threat, especially due to the prosecution of violent drug dealers, do you believe the growth will meet the needs of the judiciary?

Answer:

Based on current 1987 workloads, we feel that the increase of Deputy Marshals from 396 to 556 in 1988 would give us the resources needed to handle the increased threat of major violent drug cases, and provide the federal judiciary with the required manpower needed to maintain an acceptable level of security. We will be in a better position to assess this situation later in the year, once a major portion of the 1988 court calendar has been developed.

Question:

Do you plan to request additional positions in 1989?

Answer:

The Marshals Service is in the process of developing workload projections for 1989, and careful attention will again be given to meeting the continuing needs of the judiciary.

Transportation of Federal Prisoners

Question:

You plan to expand the National Prisoner Transportation System to, among other things, increase the transportation services provided to other agencies. What other agencies transport prisoners?

Answer:

In addition to the Marshals Service, the Bureau of Prisons and the Immigration and Naturalization Service are also involved in the movement of federal prisoners. We plan to begin providing limited service to the military early in the summer.

Question:

What services do you now provide to these agencies and what additional services are planned?

Answer:

The National Prisoner Transportation System (NPTS) controls and schedules most movement requirements of the Bureau of Prisons. These services have been made available to the Immigration and Naturalization Service and on occasion NPTS has assisted them by transporting detainees aboard the airlift and on other dedicated modes of transportation.

Combined with the projected increases in prisoner movements (averaging 14 percent per year) and the construction of new federal institutions, expansion of NPTS is necessary to maintain basic services. Operation of a second large aircraft coupled with the establishment of additional small aircraft locations will satisfy this basic need to provide the opportunity to assist INS in meeting some of their transportation needs.

Question:

Are there any strong arguments for combining, or at least coordinating, all prisoner movements in one agency? Is there potential for some dollar savings here?

Answer:

There is a potential for significant savings by centralizing the control and scheduling of all prisoner movements. Using NPTS as an example, in 1979, 274 workyears were expended for the movement of 31,407 prisoners. In 1986 there were 74,824 prisoner movements completed using 119 workyears. If the workyear to prisoner movement ratio of 1979 had remained constant the movement of 74,824 prisoners in 1986 would have required 653 workyears to accomplish. This is only one example of many possibilities for savings when the scheduling of prisoners is controlled by one agency.

Question:

Do you transport State and local prisoners who are being extradited from one jurisdiction to another?

Answer:

Under terms of a Cooperative Prisoner Transportation Agreement the Service is assisting, on a space available basis, with the movement of State and local extradition cases via NPTS.

Question:

Do you believe that many State and local fugitives (as some claim) go unpursued because the States can't or won't pay the extradition cost? If so, would it be feasible, given that your system is much less costly than commercial means, to transport those fugitives on a reimbursable basis back to the State requesting extradition? Would that result in more fugitives being apprehended and would you need additional resources?

Answer:

On a space-available basis, NPTS does extradite State and local prisoners that otherwise would not be moved because of the high transportation costs involved, especially if they are being transported long distances. The Marshals Service is reimbursed for all costs incurred, including transportation and staff time. The average cost ranges from $400 to $500 per prisoner, a fraction of what it would cost commercially. For 1987, we estimate moving some 600 State and local prisoners, which is about the maximum we can achieve given current NPTS capacity.

Question:

What percentage of federal prisoners are allowed to transport themselves and voluntarily surrender at the federal prison in which they are to be incarcerated? How much does the Service save on transportation costs of individuals allowed to surrender voluntarily to the designated federal prison?

Answer:

The USMS Headquarters has not collected this data from our District offices in past years. Starting with 1988, the Service will collect data on the number of individuals who surrender themselves to institutions at government expense.

We can not readily provide any information this fiscal year on the estimated cost to the government if all self-surrenders were transported by the Marshals Service.

Question:

Is there potential for greater use of voluntary surrender? If so, what are the "road blocks"?

Answer:

Many judicial districts are making good use of personal recognizance or pretrial service release of persons awaiting trial, while other districts are very conservative in the use of any release or self-surrender program. There are some indications that the use of pre-trial release and self-surrender could be expanded without the loss (escape) of prisoners.

Question:

You are asking for 10 additional positions and $4,047,000 to support management improvements of the prisoner transportation system. These improvements include deploying a second large aircraft, performing major maintenance on existing aircraft, and introducing more efficient ticketing and scheduling. Would you please provide a breakout of what this $4,047,000 is required for?

Answer:

The following table provide is a breakout of the requested $4,047,000 increase:

Personnel compensation and benefits.....	$451,000
Travel.....	426,000
Transportation of things.....	[illegible]3,000
Space, communications and utilities.....	30,000
Training of pilots, Inspections and maintenance of aircraft.....	1,931,000
Fuel and other supplies for aircraft operation	1,143,000
Small aircraft engines.....	63,000
Total.....	4,047,000

Question:

Was a study conducted to determine the need for an additional large aircraft, the proposed routes, and the associated costs of acquiring and operating such an aircraft?

Answer:

The need for a second large aircraft was based on an on-going assessment of current and future prisoner transportation requirements. The system must be expanded to meet the projected growth in prisoner movements and to avoid an increased reliance on commercial airlines, which is both more costly and less secure. By 1988, we anticipate nearly 100,000 NPTS moves, about one-third above the 1986 level. The cost per prisoner moved via NPTS airlift is $112, more than six times less expensive than commercial flights.

The present operation of one large jet aircraft is simply not capable of meeting the projected increases in prisoner movements. The Marshals Service 727 jet is currently operating at almost 80 percent

capacity, approximately 14 percent above the industry standard for this type aircraft.

Route schedules for a second large aircraft have been proposed and the associated costs of operation have been established based on prior experience in operating the present 727 jet. These funds are included in our 1988 request for NPTS.

Question:

What exactly are the improvements in ticketing and scheduling you are planning to introduce? What are their costs?

Answer:

Improvements in aircraft operations include limiting the ground time of our planes by revising the scheduling of maintenance; enhancing service to our districts and Federal correctional institutions through development and implementation of an improved four-day dedicated air route; maintaining movements by commercial air at less than 2.5 percent of the total prisoner movements; and reducing dependence on the bus routes.

To achieve these efficiencies, a computer system will be developed to automate all aspects of prisoner movements. Currently, these functions are done manually. This is very time consuming because as every request is made, a coordinator must manually arrange the move point-by-point. Not only does this require increasing amounts of time, but it also presents the possibility of human error. The automation of prisoner scheduling permits a more timely and coordinated nation-wide system, and ensures maximum use of available conveyances.

For 1988, $407,000 and one position are requested in the ADP and Telecommunications program to develop this necessary ADP system. Moreover, a small portion of the increase in the Handling of Federal Prisoners program for NPTS will provide for support staff time to operate this system once it is implemented.

Organized Crime Drug Enforcement

Question:

Considering the ever increasing involvement of all federal agencies in drug enforcement, why are you not requesting any increases for your organized crime drug enforcement (OCDE) program?

Answer:

About 39 percent of the Marshals Service workload is drug related. Although funds were not specifically requested in the OCDE program, judicial security, witness protection, extraditions, and prisoner handling activities reflect this drug activity including those cases generated through OCDE Task Force efforts.

Question:

What is the Marshals Service primary role in OCDE?

Answer:

The Marshals Service has an investigator assigned in each of the 13 task force locations to assist in criminal investigations and to coordinate the requirements of the task forces with the Service. In addition, the Service fulfills a very valuable role in ensuring the integrity of the criminal justice system through: 1) the protection of judges and witnesses who have become vulnerable due to the potential for violence during drug trials; 2) the preservation and conversion of millions of dollars worth of assets from the drug trade; and 3) investigations to apprehend persons who flee the jurisdiction of the court by becoming fugitives.

Assets Forfeiture Fund

Question:

What is being done to address the problem of the U.S. Marshals Service not conducting regular audits of its seized asset activities?

Answer:

The Marshals Service does not believe there is a problem in conducting regular audits of its seized asset activities. The Office of Internal Inspections, within the Marshals Service, conducts operational and fiscal audits of the ninety-three district offices on a regular basis based upon an annual audit plan. Incorporated into these routine audits is a review of the U.S. Marshals seized property activities and accompanying records for each federal judicial district. A report of the audit is provided to the district and to Marshals Service management staff for review and follow-up.

Question:

What is being done to establish accountability for seized and forfeited assets within the Department's accounting system?

Answer:

Prior to 1984, the Marshals Service had a manual recordkeeping system to account for seized and forfeited assets. An automated inventory and management information system was implemented in 1984 to improve accountability for seized and forfeited assets by making information about the number and value of forfeited assets available to Marshals Service decisionmakers. In 1987, we plan to award a contract to further enhance this inventory and management information system, mainly in terms of making information more timely and useful to the Marshals Service, the Department of Justice, and other decisionmaking entities.

In 1987, we have also provided for improvements in financial accounting in connection with the automation of district accounting. Transactions involving the Justice Assets Forfeiture Fund--recording income as well as charges against the Fund--will require an identification of the purpose (i.e., by subobject classification code) as well as the case. Thus, we will not only be better able to monitor and audit transactions involving the Assets Forfeiture Fund, but will have more useful and detailed information to manage the program. The detailed transaction-level forfeiture accounting information will be available to both the USMS and the Justice Management Division through the Department's official accounting system.

Question:

You estimate that you will collect $140,000,000 in asset forfeitures in 1987, with expenses associated with the program amounting to $112,000,000. How much will go to State and local law enforcement agencies?

Answer:

The amount to be shared with State and local law enforcement agencies in any fiscal year is proportional to the amount forfeited to the Department of Justice and the level of participation by State and local agencies that led to those forfeitures. During 1986, 18 percent of all income to the Assets Forfeiture Fund was shared with participating State and local law enforcement agencies. For 1987 we are estimating that approximately $28,000,000 in cash will be shared with State and local law enforcement agencies. Additionally, forfeited property--other than cash--is also "shared" with State and local agencies based upon their participation in a seizure. Thus, sharing with State and local law enforcement agencies is beneficial not only in terms of cash, but also in terms of property which would otherwise have been purchased using State and local tax dollars.

Question:

Why do you assume expense will go up in 1988, but not collections?

Answer:

Our assumptions regarding both the income and expenditure projections are surrounded by the uncertainty inherent in the overall asset forfeiture process. We cannot predict the number of assets that will be forfeited in any given timeframe, much less the total number and value of valid liens involved, and the amount of net proceeds that we can expect after disposal of the assets.

Generally, while receipts to the Fund may not increase substantially, the costs associated with the management of those assets do increase. The skills required in managing, and maintaining, the diverse inventory of seized assets which fall under Marshals Service control require more specialized management services in order to achieve the

maximum return for the Government. Further, any delays in the processing of a forfeiture action not only increases management costs but reduces the net return to the Government.

This factor, combined with the changes recently authorized by the Anti-Drug Abuse Act of 1986, account for the increased expenditures from the Fund. Examples of newly authorized asset-specific and program-related expenditures include expenditures for computer equipment and services, training, printing of program-related materials, case-related travel, storage and destruction of controlled substances, and contract services related to the processing of and accounting for asset seizures.

Question:

Does the Department have any proposals on what to do with the ever increasing amount of unobligated balances in the Fund?

Answer:

There have been no final decisions made by the Department for the use of any future unobligated balances in the Fund. Two generally expressed viewpoints are that the first priority of the Fund is to provide funding for new and continuing forfeiture cases, and that the Fund should not be used for any program which would require a source of fixed or continuous income. An immediate and continuing interest on our part will be proper implementation and oversight of the newly-authorized purposes and activities which may be financed by the Fund's revenue. To the extent that there may be funds surplused to the above-stated forfeiture program needs, they should be returned unencumbered to the Treasury.

EXECUTIVE SESSION

Mr. DWYER. At this time we will go into executive session. I would ask that those people who are not cleared to remain in the room please leave.

THURSDAY, MARCH 12, 1987.

COMMUNITY RELATIONS SERVICE

WITNESSES

WALLACE WARFIELD, ACTING DIRECTOR
BERTRAM LEVINE, ASSOCIATE DIRECTOR
H. DALE MEEKS, ASSOCIATE DIRECTOR FOR ADMINISTRATION
RICHARD GUTIERREZ, COORDINATOR, IMMIGRATION AND REFUGEE AFFAIRS
MICHAEL J. ROPER, DEPUTY COMPTROLLER FOR BUDGET

INTRODUCTION

Mr. SMITH. Next we will hear testimony on the fiscal year 1988 request of the Community Relations Service. Mr. Wallace Warfield is the Acting Director of the Community Relations Service.

[The justification material in support of this request will be inserted in the record at this point.]

Department of Justice

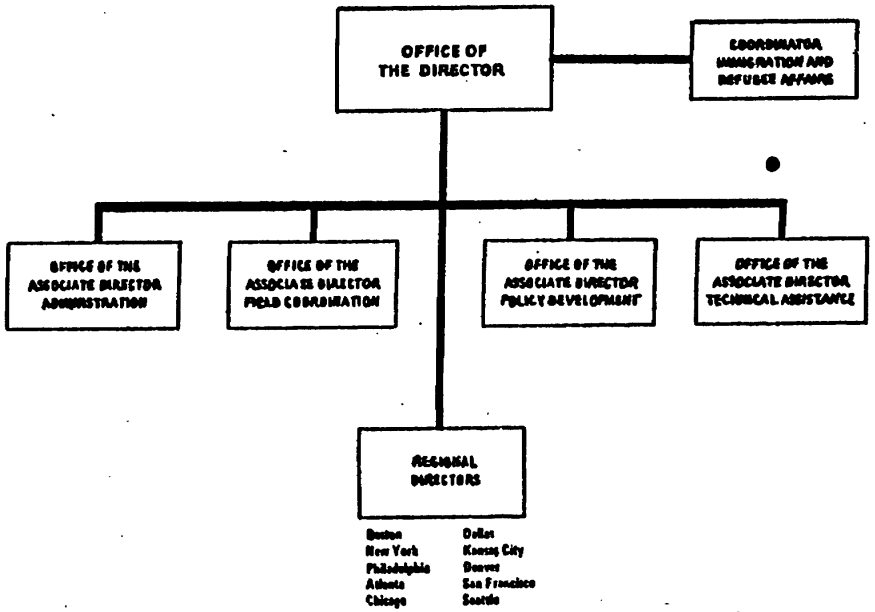
Community Relations Service

Estimates for Fiscal Year 1988

Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes to the Appropriation Language	4
Crosswalk of 1987 Changes	5
Summary of Requirements	6
Summary of Resources by Program	7
Justification of Program and Performance	8
Financial Analysis - Program Changes	20
Priority Rankings	21
Detail of Permanent Positions by Category	22
Summary of Adjustments to Base	23
Justification of Adjustments to Base	24
Summary of Requirements by Grade and Object Class	27
Consulting and Related Services	29

THE COMMUNITY RELATIONS SERVICE



Approved: William French Smith Date: 2/15/84
William French Smith
Attorney General

Legal Activities

Salaries and expenses, Community Relations Service

Summary Statement

Fiscal Year 1988

The Community Relations Service (CRS) is requesting for 1988, a total of $29,123,000; 118 permanent positions, and 113 workyears. This request represents a net decrease from the 1987 appropriation anticipated of two workyears and $704,000.

CRS' budget contains two budget activities: Prevention and conciliation of community disputes; and, Reception, processing, and care of Cubans and Haitians. These activities include five programs: Technical Assistance; Program Operations; Executive Direction and Control; Administrative Services; . . Reception, Processing and Care of Cubans and Haitians.

Prevention and Conciliation of Community Disputes

This activity is responsible for providing assistance to communities in preventing and resolving conflicts involving racial and ethnic minorities. By bringing disputes to the negotiating table before they are acted out in street violence or in litigation, CRS forestalls the eventuality of more drastic federal intervention in the form of investigation, prosecution or use of marshals or the military to preserve or restore the peace. CRS thus makes an essential contribution to the federal responsibility to fulfill the Constitutional mandate of ensuring the domestic tranquility.

The Technical Assistance program is an integral part of this process. It makes possible improved program performance by enabling the field staff to more efficiently and successfully resolve disputes by providing technical information and the assistance of program specialists and outside experts. A slight decrease is requested in resources for this program which is to be achieved through administrative support decreases.

The Program Operations program consists principally of the Agency's 10-region field staff of conciliators and mediators--the Service's primary mechanism for resolving the many racial and ethnic conflicts which disrupt harmonious relationships and threaten the peace of the community. Problem areas include, but are not limited to, law enforcement, immigration, corrections, educational disputes, employment, housing, community development, Indian rights and economic development programs. CRS' intervention in such disputes as a third-party expert capable of enabling antagonists to work out voluntary solutions helps to avoid the prolongation and escalation of social conflict, racial violence, economic loss, and community estrangement. A decrease in resources is requested amounting to two workyears and $364,000, which are to be achieved through a reduction in the use of other-than-permanent employees and a reduction in administrative support areas; i.e., travel, equipment, other services, etc.

The Executive Direction and Control program embraces those principal areas of activity by which the Director establishes, transmits, and monitors the planning and execution of policies and programs. A slight decrease in administrative support resources is requested.

The Administrative Services program is responsible for supporting all the activities and programs with administrative, budget and personnel services. A slight decrease in resources is requested based on the overall program decrease.

Reception, Processing and Care of Cubans and Haitians

This activity is responsible for the care and processing of Cuban and Haitian entrants as authorized by Title V of the Refugee Education Assistance Act of 1980, Public Law 96-422, and by Executive Order 12341 of January 21, 1982, transferring these functions to the Department of Justice. Through this activity, CRS provides outplacement, resettlement, and medical and mental health care services to Cuban and Haitian entrants paroled by the Immigration and Naturalization Service (INS) from INS detention facilities, the Atlanta Federal Penitentiary, and the Oakdale Federal Detention Center. These services are provided through grants with voluntary and private agencies and through an interagency agreement with the Public Health Service (PHS). These outplacement programs provide the Department of Justice with a safe and cost-effective alternative to prolonged detention of Cubans and Haitians whom the INS determines are not likely to pose a threat to the public.

A new initiative in 1986 will permit a program decrease of $1,795,000, in the mental health program through the consolidation and reduction of in-patient capacity at St. Elizabeth's Hospital. A second initiative would reduce by $46,000 the cost of long-term care for physically and mentally disabled Mariel Cubans who will never be capable of independent living.

Legal Activities

Salaries and expenses, Community Relations Service

Justification of Proposed Changes in Appropriation Language

The 1988 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses, Community Relations Service

For necessary expenses of the Community Relations Service, established by title X of the Civil Rights Act of 1964, [$29,637,000], of which	$29,123,000
[$23,266,000] shall remain available until expended to make payments in advance for grants, contracts and reimbursable agreements and other expenses necessary under section 501(c) of the Refugee Education Act of	$21,740,000
1980 (Public Law 96-422; 94 Stat. 1809) for the processing, care, maintenance, security, transportation and reception and placement in the United States of Cuban and Haitian entrants: Provided, That notwithstanding section 501(e)(2)(B) of the Refugee Education Assistance Act of 1980 (Public law 96-422; 94 Stat. 1810), funds may be expended for assistance with respect to Cuban and Haitian entrar as authorized under section 501(c) of such Act.	Assistance

(Reorganization Plan No. 1 of 1966; Department of Justice Appropriation Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(b); additional authorizing legislation to be proposed.)

Explanation of changes:

No substantive changes proposed. However, supplemental appropriation language is requested relating to a computational error in the amount earmarked for reception and placement of Cuban and Haitian entrants. In addition, the Congress should correct the reference to the Refugee Education Act to include the word "Assistance" at the proper point.

Salaries and expenses, Community Relations Service

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			Reprogrammings			1987 Supplementals Requested				1987 Appropriation Anticipated		
										Program			Pay & FERS			
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.		Pos.	WY	Amt.
1. Prevention and Conciliation of Community Disputes																
a. Technical Assistance.....	6	6	$421	...	...	-$62	...	...	...	...	...	$29	$7	6	6	$395
b. Program Operations.....	63	67	5,278	...	...	-587	...	...	...	...	...	373	81	63	67	5,145
c. Executive Dir. & Control...	13	13	1,126	...	...	-100	...	...	...	...	...	81	17	13	13	1,124
d. Administrative Services....	6	6	355	...	...	-60	...	...	...	...	...	25	6	6	6	326
Subtotal.....	88	92	7,180	...	...	-809	...	...	...	...	...	508	111	88	92	6,990
2. Reception, Processing and Care of Cubans and Haitians.....	30	23	24,829	...	...	-1,563	...	...	...	...	...	-467	38	30	23	22,837
Total.....	118	115	32,009	...	...	-2,372	...	...	...	...	...	41	149	118	115	29,827

Congressional Appropriation Actions

The Congress reduced the activity, "Prevention and Conciliation of Community Disputes" by $809,000 and the activity,"Reception, Processing and Care of Cubans and Haitians" by $1,563,000 from the 1987 request level. The Congressional allowance was derived by using the sequestration level of $28,614,000. Added to this was $541,000 for uncontrollable increases and a program increase of $500,000 for the outplacement and care of Cuban entrants. This was offset in part by $18,000 in Federal Telecommunications System savings.

Supplementals Requested

The supplemental request for $190,000, provides for increased costs associated with the Federal Employees Retirement System of $85,000; increased costs associated with Federal Telecommunications Service (FTS) increases of $41,000; and, $64,000 for the increased pay costs. In addition, the 1987 Appropriation Act provided the Community Relations Service $541,000 of the $590,000 requested for uncontrollable increases. Of this amount, $36,000 was inadvertently allocated for the activity, Prevention and Conciliation of Community Disputes and $505,000 for the activity, Reception, Processing and Care of Cubans and Haitians. The distribution between these two activities appear to be in error since the Prevention and Conciliation of Community Disputes activity had requested $560,000, and the latter activity had only requested $30,000. The 1987 supplemental request corrects the distribution.

Legal Activities

Salaries and expenses, Community Relations Service

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-Years	Amount
1987 as enacted	118	115	$29,637
1987 Pay and retirement supplemental requested	...	...	149
1987 Program supplemental requested	...	...	41
1987 appropriation anticipated	118	115	29,827
Savings resulting due to management initiatives	...	...	-46
Transfers to and from other accounts:			
Transfer of Financial and Administrative Systems Support group from General Administration	...	...	11
Uncontrollable increases	...	...	1,638
Decreases (non-policy)	...	...	-7
1988 base	118	115	31,423

Estimates by budget activity	1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Prevention and conciliation of community disputes	88	96	$6,285	88	92	$6,990	88	92	$7,888	88	90	$7,383	...	-2	-$505
2. Reception, processing and care of Cubans and Haitians	30	23	26,414	30	23	22,837	30	23	23,535	30	23	21,740	...	...	-1,795
Total	118	119	32,699	118	115	29,827	118	115	31,423	118	113	29,123	...	-2	-2,300

	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total
EOY Employment:															
Full-time permanent	112	...	112	111	...	111	111	...	111	111	...	111	...	...	...
Other	7	...	7	4	...	4	4	...	4	2	...	2	-2	...	-2
	119	...	119	115	...	115	115	...	115	113	...	113	-2	...	-2

Legal Activities

Salaries and expenses, Community Relations Service

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1986 as Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Prevention and Conciliation of Community Disputes:																		
Technical Assistance	6	6	$357	6	6	$353	6	6	$395	6	6	$447	6	6	$419	...	...	-$28
Program Operations	63	67	4,678	63	71	4,631	63	67	5,145	63	67	5,799	63	65	5,435	...	-2	-364
Executive Direction and Control	13	13	1,020	13	13	1,010	13	13	1,124	13	13	1,262	13	13	1,186	...	...	-76
Administrative Services	6	6	294	6	6	291	6	6	326	6	6	380	6	6	343	...	...	-37
Subtotal	88	92	6,349	88	96	6,285	88	92	6,990	88	92	7,888	88	90	7,383	...	-2	-505
Reception, Processing and Care of Cubans and Haitians	30	23	22,265	30	23	26,414	30	23	22,837	30	23	23,535	30	23	21,740	...	...	-1,795
Total	118	115	28,614	118	119	32,699	118	115	29,827	118	115	31,423	118	113	29,123	...	-2	-2,300
Other Workyears:																		
Holiday		...			...			...			...			...			...	
Overtime		...			...			...			...			...			...	
Total compensable workyears		115			119			115			115			113			-2	

Activity Resource Summary
(Dollars in thousands)

Activity: Prevention and Conciliation of Community Disputes	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Technical Assistance	6	6	$395	6	6	$447	6	6	$419	...	...	-$28
Program Operations	63	67	5,145	63	67	5,799	63	65	5,435	...	-2	-364
Executive Direction and Control	13	13	1,124	13	13	1,262	13	13	1,186	...	...	-76
Administrative Services	6	6	326	6	6	380	6	6	343	...	...	-37
Total	88	92	6,990	88	92	7,888	88	90	7,383	...	-2	-505

This budget activity includes resources for the primary mission of the Community Relations Service. Funds requested for this activity are used to provide assistance to communities in resolving disputes, disagreements and difficulties arising from discriminatory practices based on race, color or national origin which impair the rights of citizens and threaten to disrupt peaceful relations.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Technical Assistance	6	6	$395	6	6	$447	6	6	$419	...	...	-$28

Long-Range Goal: To enhance the delivery of expert conflict resolution services to state and local officials and community leaders.

Major Objectives:

To assist administration of justice agencies to overcome problems that cause conflict and confrontation, and to implement policies, procedures, and programs that reduce friction with the local community.

To help school systems to reduce interracial and interethnic conflict manifest in classroom violence, youth gangs, disproportionate discipline and performance and community confrontations, and to reduce the impact of those problems on educational achievement.

To provide conciliation staff with technical resources and expertise to improve the effective achievement of casework objectives.

To maintain a resource center of technical periodicals, articles, and materials pertaining to issues affecting the work of the Community Relations Service.

Base Program Description: This program function is an integral part of the conciliation and mediation process. It improves program performance by providing field staff with essential background and technical information to more efficiently and effectively resolve disputes. Community Relations Service' conciliators and mediators are trained and experienced in the skills of community conflict management. Often their role is that of a catalyst, enabling resources within the community to combine in a new pattern in order to resolve a specific problem. Frequently, however, local resources need bolstering from the outside. Such assistance is provided by and through the Office of Technical Assistance and Support (OTAS).

Various categories of cases are given support by OTAS through staff program specialists, whose role is to: 1) provide expert assistance on-site; 2) identify and arrange for the services of other experts, as needed; 3)update the background and skills of field staff through training and the provision of materials; 4) coordinate the inter-regional transfer of experience and technology; 5) identify and distribute models of programs used successfully in other communities; 6) conduct special research to meet the needs of specific cases; and, 7) develop new program tools to respond to new types of problems. Program specialists also maintain liaison with private sector institutions and public agencies to exchange information, provide technical support, encourage collaborative programs and co-sponsor seminar conferences and other national programs. Such activity often stimulates the use of private sector resources in lieu of Federal programs. Because community conflicts relating to law enforcement and education are the source of the most frequent and complex types of cases, OTAS dedicates two technical assistance positions exclusively to these areas.

Accomplishments and Workload: Accomplishments of the Technical Assistance Program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Case consulations	576	604	604	554
Items of technical information provided	2,534	2,567	2,567	2,067
Technical publications produced	2	2	2	2
Training models distributed	34	36	36	36
Status Reports on case activity	5	4	4	4

In 1986, OTAS provided 2,567 items of technical materials or service packages to CRS staff in education, the administration of justice, and other agency program areas. It also conducted 604 consultations with regional staff on various cases.

A major area of CRS involvement continued to be conflicts arising from police use of deadly or excessive force. OTAS has been active in coordinating national resources that address the issue, and providing police departments and training academies with strategies and program models for dealing with excessive force. The Office has focused on stimulating and disseminating information about innovative and cooperative efforts between police agencies and coalitions of minority groups. Finally, OTAS has been instrumental in sensitizing local police departments to the issues of civil liability.

Program Changes: A decrease of $28,000 is requested in 1988 for the Technical Assistance program. This decrease will be achieved through a reduction in administrative support areas.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Program Operations.....	63	67	$5,145	63	67	$5,799	63	65	$5,435	...	-2	-$364

Long-Range Goal: To assist in reducing racial community conflict and violence through such voluntary means as: conciliating or mediating specific conflicts; preventing or reducing violence; establishing mechanisms for better communication and dispute resolution; providing an alternative to litigation; and helping communities to peacefully address underlying problems.

Major Objectives:

To help resolve approximately 1,100 racial-ethnic community disputes and conflicts.

To identify and provide special assistance to vulnerable communities to reduce the risk of racial violence.

Base Program Description: Community confrontations and disruptions related to disputes based on race, color or national origin occur throughout the United States, in many areas of human endeavor, and involve all of the larger and many of the smaller minority populations. Efforts to redress inequities, and resistance to such efforts, create many thousands of conflicts which disrupt harmonious relationships and threaten the peace of the community. Problem areas include law enforcement, immigration, corrections, education, employment, housing, community development, Indian rights, and economic development, among others. In 1986, increases were

evidenced in interracial, physical violence against and between minority groups. CRS intervention in such disputes as a third-party expert capable of enabling antagonists to work out voluntary solutions helps to avoid the prolongation and escalation of social conflict, racial violence, economic loss and community estrangement.

Community conflict related to racial inequities in education is prevalent throughout the nation. Problems proliferate as more and more school districts seek to educate an increasing number of minority students in a school environment inadequately prepared for change. There is a growing schism along racial lines on such issues as school closings, bilingual education, unequal discipline standards, resegregation of once-desegregated schools, displacement of minority school teachers, and the choice of new programs which seek educational excellence in ways that serve the needs of minorities as well as whites. With minority school populations growing steadily in all areas of the country, conflicts over these issues will present a growing demand for CRS intervention in 1988.

Demographic changes also contribute to the volatility of minority relations. Seven hundred thousand Indochinese refugees who have settled in American communities in recent years have begun to visibly assert their claims to social and economic equity. Other Asian-American groups (such as the Chinese and Japanese) also report increasing incidents and tension levels with other racial groups. The Hispanic population, native and immigrant, as well as undocumented persons, is growing rapidly and moving to non-traditional areas of settlement; and no effective solution has yet been found to steady the influx of undocumented people. Recent changes in immigration law--particularly provisions for legalization of undocumented persons, guest workers and tighter border patrols--are likely, at the outset, to be accompanied by community tension along racial and ethnic lines.

Accomplishments and Workload: Accomplishments of the Program Operations program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Alerts received	2,060	2,056	2,200	2,200
Assessments processed	1,528	1,487	1,500	1,500
Conciliation cases conducted	1,069	1,031	1,100	1,100
Conciliation cases closed	1,069	766	800	800
Mediation cases conducted	28	30	36	36
Mediation cases closed	16	22	24	24
Community Tension Appraisals conducted	60	60	125	150

While the CRS mandate requires the agency to resolve conflicts in individual communities, the net effect is to help assure the domestic tranquility of the entire nation. There were approximately 766 conflicts resolved in 1986. If unresolved, these conflicts would have either: a) escalated into violence; b) required stringent and costly measures of law enforcement; c) lead to

costly and embittering litigation; or d) added to the smoldering pile of unresolved grievances which already burden the minority consciousness. The CRS annual assessment of racial tension gives evidence that the resolution of conflict by CRS in a manner which reduces the minority perception of inequity and which demonstrates the responsiveness of established institutions, significantly reduces the risk of violent confrontations.

Local law enforcement agencies continue to seek CRS' assistance in improving police-community relations as more jurisdictions become sensitive to their vulnerability to heavy costs of liability suits alleging police misconduct. In most instances, such requests have led to revised programs, policies or training with respect to police use of force.

CRS efforts throughout the country have assisted state and local law enforcement agencies to develop a non-federal response to minimize the destructive effects of hate group activity.

For more than a dozen years, CRS has provided special assistance to police agencies and community groups in an effort to reduce the loss of life by police officers and civilians which too frequently accompanies police encounters. A recent nationwide study of 57 cities has shown a steady and startling decline in the number of police officers killed during that period as well as significant reductions in the number of minority individuals killed by police... . CRS mediation in 1986 of a federal court case on bilingual education in Center, Colorado, building on earlier successes in Lynn and Worcester, Massachusetts, is being hailed by some as a landmark settlement which may serve as an example for the resolution of similar thorny conflicts throughout the country... . A CRS-sponsored consultation involving the police agencies of 15 Gulf Coast communities and leadership of the Southeast Asian population groups which have settled there, resulted in new cooperative approaches to overcome burgeoning community relations problems. CRS will assist and study these new programs in order to extract models for use in other parts of the country.

Program Changes: A decrease of two workyears and $364,000 is requested in 1988 for the Program Operations program. This decrease will be achieved through a reduction in the use of other-than-permanent employees and a reduction in administrative support areas; i.e., travel, equipment, other services, etc.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction and Control....	13	13	$1,124	13	13	$1,262	13	13	$1,186	...	...	-$76

Long-Range Goal: To implement those principal areas of activity by which the Director establishes, transmits and monitors the planning and execution of policy and program.

Major Objectives:

To develop and implement agency policy and provide management and supervision that assures maximum agency service delivery.

To conduct and coordinate pertinent communications with the public, other Departments, Federal agencies, and the Congress.
To provide legal review and analysis to headquarters and field personnel.

To prepare the annual budget and determine how appropriated resources shall be allocated.

To coordinate program planning, related at all levels to operational analysis and evaluation.

To evaluate and to assure the quality of CRS services.

Base Program Description: The program of Executive Direction and Control embraces those principal areas of activity by which the Director establishes, transmits, and monitors the planning and implementation of policies and programs. Efficient utilization of agency personnel and funds is made possible through the Operational Planning System, a cyclical process involving the planning of programs in response to guidance provided; the reporting, monitoring and evaluation of program implementation; the study of program and policy issues; the Quality Assurance System; and development of the budget and subsequent supervision of the achievement of its objectives.

The functions of executive direction and control are performed directly within the Office of the Director and within the Office of Policy Development. Responsibility for the interpretation of the Agency, for legal counsel, and for legal technical assistance to the regions are all lodged in the Office of the Director. Media and Congressional relations are conducted by the Director and his personal staff.

Accomplishments and Workload: Accomplishments of the Executive Direction and Control program are presented in the following table:

Item	1985	1986	Estimates 1987	1988
Office Plans reviewed and approved	15	15	15	15
Budget Submissions and supportive testimony and briefings	3	3	3	3
Reports on Statistical Evaluation and Analysis of Operations	4	4	4	4
Quarterly Statistical Reports to Regional Directors	40	40	40	40
Issue papers prepared	4	4	4	4
Analysis of Regional Trends	2	1	1	1
Responses to Public/Congressional inquiries	50	50	50	50
Responses to FOIA/PA inquiries	39	45	45	45
Responses to Requests for Legal Assistance from Regional Offices	650	650	650	624
Proposed Legislation studied	5	5	5	5
Periodic reports to the Attorney General or Deputy Attorney General	36	36	36	36
Judicial and Legislative items for review	750	750	750	700

Program Changes: A decrease of $76,000 is requested in 1988 in the Executive Direction and Control program. This slight decrease in resources is requested based on planned administrative support decreases.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative Services.....	6	6	$326	6	6	$380	6	6	$343	...	...	-$37

Long-Range Goal: To provide support for all the activities and programs with administrative, budget and personnel services.

Major Objectives:

To provide timely fiscal control and effective position management over resources flowing to or from the Service.

To provide for the timely processing of all administrative related requests for space, security, procurement, travel, financial reimbursement and all other administrative requests.

To provide direct financial and administrative control over the grants aspects of the Cuban and Haitian Entrant Program.

To provide for other required services such as timely and efficient mail and messenger service, security, equal employment opportunity and centralized records management.

Base Program Description: Necessary administrative services are currently provided primarily through a liaison process with the Justice Management Division (JMD). The Administrative Services Program provides direct input of vouchers, personnel requests, requests for goods and services, obligating documents, inventory control, etc., to the JMD accountability systems through a centralized administrative office located in the CRS headquarters. In addition, security and equal opportunity systems are provided directly by personnel assigned to the unit. Beginning with the transfer of the Cuban and Haitian Entrant Program, this office assumed additional responsibility in the direct monitoring of grants.

068

Accomplishments and Workload: Accomplishments of the Administrative Services Program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Personnel actions reviewed and processed	236	225	225	215
Procurement actions reviewed and processed	761	700	700	650
Budgets prepared	3	3	3	3
Space adjustments processed	4	4	4	4
Financial records created	4,126	4,100	4,100	4,000
Invoices processed	1,568	1,600	1,600	1,500
Management analyses performed	11	11	11	11
CMS directives published	6	6	6	6
Special reports prepared	80	80	80	80
Special projects conducted	24	24	24	24

Most major objectives contained within this program are ongoing in nature, and are not completed except for planning stages of new systems.

Program Changes: A decrease of $37,000 is requested in 1988 for the Administrative Services program. This slight decrease in resources will be achieved through planned decreases in the administrative support area.

Activity: Reception, Processing and Care of Cubans and Haitians

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Reception, Processing and Care of Cubans and Haitians	30	23	$22,837	30	23	$23,535	30	23	$21,740	...	...	-$1,795

Long-Range Goal: To administer the orderly placement and resettlement of Cuban and Haitian entrants in such a manner as to avoid community conflict and minimize the impact on public assistance and public safety.

Major Objectives:

To provide cost effective resettlement services to Cuban and Haitian entrants released by the Immigration and Naturalization Service (INS) through the use of various voluntary and private agencies, and to monitor these resettlements.

To provide shelter care and child welfare services to Cuban/Haitian entrant minors and to arrange eventual sponsorships and placements for these minors.

To provide secondary resettlement assistance for Haitian entrants in South Florida who have not attained economic self-sufficiency.

To provide follow-up care and services to Cuban entrants approved for release from Public Health Service mental health care outplacement projects.

Base Program Description: This activity addresses the needs of Cuban and Haitian entrants who continue to need reception, processing, resettlement, placement and other services from the Federal government. The primary populations served include certain Cubans who arrived in this country during the Mariel boatlift of 1980 and those Haitians who arrived in 1980 and each year thereafter and who have subsequently been detained by the INS for their undocumented entry into the United States.

CRS' outplacement and resettlement services to Cuban and Haitian entrants are structured around four program areas:

1. Outplacement from the Atlanta Federal Penitentiary, the Oakdale Federal Detention Center, and INS detention facilities of Mariel Cubans who are reparoled by the INS District Director after screening by both the INS and CRS to ensure that they do not present a danger to the community.
2. Outplacement from the INS/Krome Special Processing Center of Cuban and Haitian detainees, including unaccompanied minors, who are paroled by the INS District Director for humanitarian reasons.
3. Secondary resettlement assistance for Cuban and Haitian entrants living in South Florida whose initial resettlements did not lead to their achievement of economic self-sufficiency.
4. Follow-up care for mentally ill entrants who have completed psychiatric treatment programs provided by PHS and who are ready to make the transition to semi-independent living.

In addition, through an interagency agreement with the U.S. Public Health Service, medical care is provided to Mariel Cubans and Haitians at the INS/Krome Special Processing Center medical facility. Specialized medical care is provided to five Cuban patients at the Hansen's Disease Center in Carville, Louisiana. Mental health care is provided at St. Elizabeth's Hospital and community-based treatment programs. Mental health evaluations are performed on Mariel Cubans being considered for reparole by the INS.

Accomplishments and Workload: Accomplishments of the Reception, Processing, and Care of Cuban and Haitian Entrant Program are presented in the following table:

Item	1985	1986	Estimates 1987	1988
Entrant Population:				
Cuban/Haitian Entrants in INS/Krome at beginning of year	394	345	345	345
Cuban Entrants in AFP at beginning of year	1,474	1,845	1,800	1,500
Cuban Entrants Revoked to Federal Custody	1,020	1,080	1,080	1,080
Backlog of Mentally Ill Cuban Entrants at AFP	250	260	320	422
ORR Resettlements:				
From INS/Krome SPC:				
- Adults & Unaccompanied Minors	333	109	110	110
- Unaccompanied Minors/Shelter Care	33	47	30	30
Secondary Resettlement Assistance in South Florida	269	278	278	278
From PHS Outplacement Projects	56	64	78	78
From AFP & INS Detention	28	233	353	353
PHS Services				
Long-Term Health Care	439	446	363	318
- At Federal Facilities	121	155	125	80
- At Non-Federal Facilities (Outplacement Projects)	318	291	238	238
Short-Term Health Care	11,594	8,805	8,805	8,805
- # Clinic Visits	10,943	8,000	8,000	8,000
- # Hospital Days	651	805	805	805
Mental Health Evaluations	3,367	3,009	2,092	1,990
- St. Elizabeth's	552	1,142	1,060	1,060
- AFP	2,755	1,742	932	830
- Other DOJ Facilities	60	125	100	100
Grant Activities				
Grant Proposals processed:				
- ORR	36	22	4	5
- PHS	6	...	...	...

Grants Awarded:				
- CRS	10	8	16	15
- PHS	8	6	4	3
Agencies Receiving Grants:				
- CRS	22	7	10	10
- PHS	7	5	4	3
On-Site Visits:				
- CRS	65	90	120	120
- PHS	44	24	16	12

The Community Relations Service was selected to administer the Cuban and Haitian Entrant Program in 1983, and received direct administrative control on March 6, 1983. During 1986, the following accomplishments were realized in each program area:

1. Outplacement from the Atlanta Federal Penitentiary. This outplacement activity had been suspended during 1985 while the repatriation agreement with the Government of Cuba was in effect. Renewed outplacement in 1986 was necessitated by the suspension of that agreement and by the resulting shortage of secure detention space for the 80-100 Mariel Cubans being returned to federal custody from state and local detention facilities each month. A major recent development in the Mariel Cuban detention and outplacement program during the first quarter of 1987 has been the initiation of the consolidation of Mariel Cubans in detention at the Oakdale Federal Detention Center in Oakdale, Louisiana. In addition to the 203 Mariel Cubans from the Atlanta Federal Penitentiary that CRS placed in structured halfway house programs during 1986, CRS used its carryover resources to fund the outplacement of an additional 30 Mariel Cubans from INS detention facilities other than the Atlanta Federal Penitentiary.

2. Outplacement from INS/Krome Service Processing Center. Although the number of Haitians arriving in South Florida has declined as a result of the Coast Guard interdiction program, the decreased number of Haitians released under humanitarian paroles and the increased number of Mariel Cubans being transferred to the INS/Krome SPC have caused the population at the INS/Krome SPC to remain relatively constant. The reduction in the number of CRS outplacements from 333 in 1985 to 109 in 1986 has had a negligible impact on CRS resource needs because of the low per capita cost of this type of outplacement service. The number of unaccompanied Haitian minors requiring shelter care and family placement services increased to 47 in 1986.

3. Secondary Resettlement from South Florida. In 1986, CRS provided secondary resettlement assistance to 278 Cuban and Haitian entrants. Reduced funding in 1986 caused the suspension of the Planned Secondary Resettlement Program, which would have provided comprehensive and highly structured resettlement services to 125 entrant families willing to move to specific cities outside Florida where prospects for upward mobility existed.

72-165 O—87—29

4. Aftercare for Mentally Ill Entrants. During 1986, this aftercare capacity was expanded to accommodate 64 entrants. The additional capacity will permit an increased flow of clients out of the community-based treatment programs, thereby freeing up space for mentally ill Mariel Cubans still in the Atlanta Federal Penitentiary.

In addition, CRS funds the provision of health and mental health care services to Mariel Cubans and Haitians who are detained at the Atlanta Federal Penitentiary or other INS detention facilities, primarily the INS/Krome Service Processing Center, through an interagency agreement with the Public Health Service.

1. Medical Care. Medical screening, examinations, and medical care are provided to Cuban and Haitian entrants at the INS/Krome Service Processing Center medical facility, operated by PHS, and by community hospitals and other health care providers in the Miami area under contract to PHS. Specialized medical care is also provided to five Cuban patients at the Gillis W. Long Hansen's Disease Center in Carville, Louisiana. Management and operational cost savings implemented at these facilities during 1986 included the renegotiation of health care cost rates, increased use of on-site versus off-site services, increased monitoring of hospital billings, and increased use of office automation.

2. Mental Health Care. 1986 represented the first full year of operation of the expanded 155 bed PHS/INS evaluation and treatment facility at St. Elizabeth's Hospital. This secured facility provides services for the seriously mentally ill and mentally retarded entrants in need of intensive psychiatric care. The expansion was intended to remove from the Atlanta Federal Penitentiary the acute mentally ill entrants. About 20-30 mentally ill Mariel Cubans are returned to the Atlanta Federal Penitentiary from state and local jails each month.

   The community-based treatment programs provide comprehensive treatment and rehabilitation services following the Cuban's release from St. Elizabeth's Hospital. Budget reductions in 1986 caused a decrease in the number of outplacement beds from 318 to 291. This level of capacity was achieved only through the use of a 9-month budget period for six grants and the application of unexpended balances to completely fund two other grants. Cost savings were achieved at St. Elizabeth's Hospital by reducing the staffing costs of the health care contractor. Management actions were also taken with regard to the community-based treatment projects to reduce average per diem rates, centralize all travel accounts to obtain discount fares, limit use of express mail, apply a term admission policy, and discontinue personal allowances for Cuban clients.

3. Mental Health Evaluations. PHS screens entrants in the Atlanta Federal Penitentiary and other sites to determine their mental health status and to make placement recommendations.

Program Changes: A decrease of $1,795,000 is requested in 1988 for this activity. This decrease is possible as a result of the consolidation and reduction of in-patient capacity at St. Elizabeth's Hospital into one building.

Legal Activities

Salaries and expenses, Community Relations Service

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Prevention and conciliation of community disputes								Reception, processing and care of Cubans and Haitians		Total	
	Technical Assistance		Program Operations		Executive Direction and Control		Administrative Services					
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Total positions and annual rate	...	...	...	...	...	...	...	...	...	...	...	...
Lapse (-)	...	...	...	...	...	...	...	...	...	...	...	...
Permanent workyears and compensation	...	...	...	...	...	...	...	...	...	...	...	...
Other than full-time permanent	...	...	-2	-$73	...	...	...	...	...	...	-2	-$73
Total workyears and personnel compensation	...	...	-2	-73	...	...	...	...	...	...	-2	-73
Travel and transportation of persons	...	-$4	...	-44	...	-$11	...	-$6	...	...	...	-65
GSA Rent	...	-12	...	-124	...	-33	...	-16	...	...	...	-185
Other services	...	-10	...	-106	...	-28	...	-13	...	-$1,295	...	-1,452
Equipment	...	-2	...	-17	...	-4	...	-2	...	...	...	-25
Grants	...	...	...	...	...	...	...	...	...	-500	...	-500
Total workyears and obligations, 1988	...	-28	-2	-364	...	-76	...	-37	...	-1,795	-2	-2,300

Legal Activities

Salaries and expenses, Community Relations Service

Priority Rankings

Base Program	
Program	Ranking
Executive Direction and Control	1
Program Operations	2
Reception, Processing and Care of Cubans and Haitians	3
Administrative Services	4
Technical Assistance	5

Program Decrease	
Program	Ranking
Reception, Processing and Care of Cubans and Haitians	1
Technical Assistance	2
Administrative Services	3
Executive Direction and Control	4
Program Operations	5

Legal Activities

Salaries and expenses, Community Relations Service

Detail of Permanent Positions by Category
Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized	1988 Total
Regional Directors (340)	10	10	10
Senior Conciliation Specialists (301)	10	10	10
Conciliation Specialists (301)	39	39	39
Technical Assistant Specialists (301)	4	4	4
Accounting and Budget (500-599)	1	1	1
General Admin., Clerical and Office Services (300-399)	54	54	54
Total	118	118	118
Washington	32	32	32
U.C. Field (Located in Washington)	7	7	7
U.S. Field	79	79	79
Total	118	118	118

898

Legal Activities

Salaries and expenses, Community Relations Service

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1987 as enacted	118	115	$29,637
Pay and retirement supplemental requested	...	...	149
Program supplemental requested	...	...	41
1987 appropriation anticipated	118	115	29,827
Adjustments to base:			
Savings resulting due to management initiatives	...	...	-46
Transfers to and from other accounts:			
Transfer of FASS group	...	...	11
Uncontrollable increases:			
One additional compensable day	...	...	22
Annualization of 1987 FERS supplemental	...	...	251
Annualization of 1987 pay supplemental	...	...	109
Within-grade increases	...	...	46
Retirement contributions - revised Federal plan	...	...	17
Locality based per diem	...	...	19
GSA Rent	...	...	202
GSA recurring reimbursable services	...	...	13
Federal Telecommunications System (FTS)	...	...	20
GPO printing costs	...	...	1
Employee data and payroll services	...	...	6
Audio visual and media services	...	...	1
General pricing level adjustment	...	...	931
Total, uncontrollable increases	...	...	1,638
Decreases:			
Reduction in health benefits	...	...	-7
1988 Base	118	115	31,423

Salaries and expenses, Community Relations Service

Justification of Adjustments to Base
(Dollars in thousands)

	Amount
Savings resulting due to management initiatives:	
Long-term care cases.....	-$46
Savings of $46,000 will be generated by the reduction in the per diem rates for Mariel Cubans at the community-based mental health programs administered by the Public Health Service.	
Transfers to and from other accounts:	
Transfer of Financial and Administrative Systems Support group.....	11
This represents the transfer of the Financial and Administrative Systems Support Group from the General Administration to the Working Capital Fund. The transfer of this group will place all of JMD financial, administrative systems support services on a user-reimbursable basis.	
Uncontrollable increases:	
1. One additional compensable day.....	22
The annual salary rate for Federal employees is based on 260 paid days. FY 1988 has one more compensable day (262) than 1987 (261). (Permanent personnel compensation $5,195,000: 260 = $20,000 plus $2,000 for benefits)	
2. Annualization of Federal Employees' Retirement System Costs.....	251
This request provides for the additional costs in 1988 necessary to continue implementation of the Federal Employees' Retirement System Act of 1986, P.L. 99-335. This act established a retirement program for Federal civilian employees and postal workers hired after December 31, 1983 who are covered by social security, and for employees under the Civil Service Retirement System who choose to transfer into the new system. The calculations were determined from an OMB approved formula.	
3. Annualization of 1987 pay increase.....	109
This request provides for the annualization of the January 4, 1987 pay increase. The calculation of the amount required for annualization is based on 68 paid days (October 1, 1986 through January 3, 1987) which were not included in the pay raise amount of $46,000. Additionally, $63,000 of the 1987 pay requirement was absorbed. Total annualization required is $109,000.	

68/261 x pay raise amount for 1987 .....$46,000
1987 absorption of pay.....63,000
Total annualization.....109,000

900

		Amount
4.	Within-grade increases This request provides for an expected increase in the cost of within-grade increases. This increase is generally consistent with increases experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $42,000 and benefits $4,000 = $46,000).	$46
5.	Retirement contributions - revised Federal plan Beginning January 1, 1987, employees hired after January 1, 1984, may elect to contribute up to 10 percent of their salaries to special tax-deferred accounts and the Government will match up to 5 percent of the employee's contribution. It is estimated that approximately 2.5 percent will take advantage of this option.	17
6.	Locality based per diem Public Law 99-234 authorized a new locality-based per diem and lifted the $75.00 ceiling in certain geographic areas. An uncontrollable increase of $19,000 is required to meet the expected 2.9 percent increase to total travel funds.	19
7.	GSA Rent In 1987 the Rent System replaces the Standard Level User Charges (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $202,000 is required to meet our commitment to GSA.	202
8.	GSA recurring reimbursable services Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.2 percent increase of $13,000 in fees for these services in 1988 over 1987 charges of $299,000.	13
9.	Federal Telecommunication System (FTS) The General Services Administration has advised of a 16 percent increase in Federal Telecommunications System (FTS) Intercity costs for 1986. This increase is mainly due to unanticipated tariff increases, savings GSA had built into their original budget estimate which will not materialize and FY 1985 costs which were not billed by GSA last year. An increase of $20,000 over the 1987 base of $125,000 is requested.	20
10.	GPO printing costs The Government Printing Office (GPO) is currently projecting a 3 to 4 percent increase over the 1987 printing cost of $20,000. An additional $1,000 will be required in 1988.	1

	Amount
11. Employee data and payroll services..... Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems maintenance and payroll accounting are based on the number of records maintained. The rate of $145.64 per record in FY 1986 will be raised to $155.76 per record for FY 1988. The change is based on anticipated uncontrollable cost increases of 6.9 percent for the operation of the Justice Employee Data Service. An additional increase has been included to improve the Human Resources Management Information System (HRMIS). This improvement will enhance the productivity of all Department components as well as the support units of accounting, budgeting and procurement. This retooling of support systems will allow the Department to operate an efficient, effective and businesslike administrative operation.	$6
12. Audio visual and media services..... This increase reflects proposed rate increases for various types of audiovisual services that range from seven to 240 percent higher than present rates. An estimated 16.5% overall increase will be assigned to each affected organization for 1988.	1
13. General pricing level adjustment..... This request applies OMB pricing guidance as of December 1986 to selected expense categories. The increased costs identified result from applying a factor of 3.5 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.	931
Total uncontrollable increases.....	1,638
Decreases (Automatic non-policy):	
Reduction in Health Benefits..... The Federal Employee's Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1986, the Department's actual contribution to health insurance decreased due primarily to reduced carrier rates. The requested decrease includes $7,000 for decreased rates below the 1987 budgeted base.	-7
Total, adjustments to base.....	1,596

Legal Activities

Salaries and expenses, Community Relations Service

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1987 Estimate Positions & Workyears	1987 Estimate Amount	1988 Estimate Positions & Workyears	1988 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level IV, $72,300	1		1		...	
ES-4, $68,700	2		2		...	
GS/GM-15, $53,830-69,976	12		12		...	
GS/GM-14, $45,763-59,488	12		12		...	
GS/GM-13, $38,727-50,346	46		46		...	
GS-12, $32,567-42,341	13		13		...	
GS-11, $27,172-32,148	1		1		...	
GS-9, $22,458-29,199	5		5		...	
GS-8, $20,333-26,435	10		10		...	
GS-7, $18,358-23,866	7		7		...	
GS-6, $16,521-21,480	2		2		...	
GS-5, $14,822-19,268	3		3		...	
GS-4, $13,248-17,226	3		3		...	
GS-3, $11,802-15,339	1		1		...	
Total, appropriated positions	118	$5,049	118	$5,200	...	$151
Pay above stated annual rates	...	20	...	40	...	20
Lapses	-7	-337	-7	-337	...	...
Savings due to lower pay scales for part of year	...	-45	...	...	...	45
Net full-time permanent	111	4,687	111	4,903	...	216
Other than permanent:						
Part-time permanent	4	252	2	186	-2	-66
Other personnel compensation:						
Overtime	...	25	...	25	...	...
Special personal services payments	...	12	...	34	...	22
Total, workyears and personnel compensation	115	4,976	113	5,148	-2	172
Average ES Salary		($68,700)		($68,700)		
Average GS/GM Salary		($37,843)		($37,843)		
Average GS/GM Grade		(11.6)		(11.6)		

Salaries and expenses, Community Relations Service

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class		1987 Estimate Workyears	1987 Estimate Amount	1988 Estimate Workyears	1988 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1	Full-time permanent	111	$4,687	111	$4,903	...	$216
11.3	Other than full-time permanent	4	252	2	186	-2	-66
11.5	Other personnel compensation	...	25	...	25	...	...
11.8	Special personal services payments	...	12	...	34	...	22
	Total, workyears and personnel compensation	115	4,976	113	5,148	-2	172
12	Personnel benefits		612		976		364
21	Travel and transportation of persons		673		635		-38
22	Transportation of things		19		20		1
23.1	GSA rent		911		928		17
23.3	Communications, utilities and miscellaneous charges		532		568		36
24	Printing and reproduction		2		3		1
25	Other services		18,663		15,007		-3,656
26	Supplies and materials		68		71		3
31	Equipment		52		30		-22
41	Grants		6,049		5,737		-312
	Total obligations		32,557		29,123		-3,434
	Relation of obligations to outlays:						
	Unobligated balance, start-of-year		-2,730		...		-2,730
	Unobligated balance, end-of-year		...		...		...
	Total requirements		29,827		29,123		-704
	Relation of obligations to outlays:						
	Obligated balance, start-of-year		4,239		7,589		
	Obligated balance, end-of-year		-7,589		-9,646		
	Outlays		29,207		27,066		

Salaries and expenses, Community Relations Service

Consulting and Related Services
(Dollars in thousands)

	1986 Actual	1987 Estimate	1988 Estimate
Consulting Services	$18	$18	$16
Management and Professional Services	...	...	...
Special Studies and Analysis	...	...	...
Total	18	18	16

Consultants' services are used by the Community Relations Service only for those assignments which cannot be performed in-house. Consultants in various specialized areas of education and the administration of justice assist field staff in helping to resolve disputes and working with community groups and major institutional leaders. Examples are police departments, school superintendent and school staff as well as community organizations which generally are led by business persons, as well as, civil rights organizations. A slight decrease is requested for 1988.

Mr. SMITH. Mr. Warfield, do you have a statement?

Mr. WARFIELD. I do, Mr. Chairman. If I might, I would like to touch on just the highlights of the statement I have submitted.

Mr. SMITH. All right. That will be acceptable.

[The prepared statement and biography of Mr. Warfield follow:]

DEPARTMENT OF JUSTICE

COMMUNITY RELATIONS SERVICE

STATEMENT OF THE ACTING DIRECTOR
WALLACE P. WARFIELD
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE
ON THE DEPARTMENTS OF COMMERCE, JUSTICE,
AND STATE, THE JUDICIARY, AND RELATED AGENCIES

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I AM PLEASED TO APPEAR IN SUPPORT OF THE 1988 APPROPRIATIONS REQUEST OF THE COMMUNITY RELATIONS SERVICE.

THE REQUEST IS FOR $29,123,000, 118 PERMANENT POSITIONS, AND 113 WORKYEARS. THIS REPRESENTS AN INCREASE OF $1,596,000 FOR ADJUSTMENTS TO BASE ITEMS AND PROGRAM DECREASES OF $2,300,000. THIS DECREASE IS DRAWN FROM TWO SOURCES:

$505,000 REPRESENTS SAVINGS IN ADMINISTRATIVE SUPPORT AND OTHER-THAN-PERMANENT EMPLOYEE CATEGORIES. WE ARE IN THE PROCESS OF MODIFYING OUR PROGRAM PLANNING EFFORTS TO MORE EFFECTIVELY TARGET RESOURCE ALLOCATION TO CASE ACTIVITY. THE CRS CONFLICT RESOLUTION PROGRAM WILL CONTINUE AT THE SAME LEVEL.

$1,795,000 REPRESENTS PROPOSED SAVINGS IN THE PROCESSING AND CARE OF CUBAN AND HAITIAN ENTRANTS DUE TO REDUCED PER DIEM RATES FOR THE CARE OF MENTALLY ILL MARIEL CUBANS AND REDUCED OPERATING COSTS AT ST. ELIZABETH'S HOSPITAL.

MUCH HAS BEEN WRITTEN AND SAID LATELY ABOUT RACIAL HATE INCIDENTS AND THE STATE OF RACE RELATIONS IN THE UNITED STATES. IN ITS MORE THAN 20-YEAR HISTORY OF RESPONDING TO RACIAL TENSIONS AND CONFLICT, WE IN CRS HAVE LEARNED THAT IF WE ARE GOING TO BE INSTRUMENTAL IN HELPING TO RESOLVE RACIAL CONFLICT AND TENSION, THEN IT IS CRUCIAL WE UNDERSTAND THE CONTEXT IN WHICH IT TAKES PLACE.

WE FIRST BEGAN TO CATALOGUE INCIDENTS OF RACIAL VIOLENCE IN 1978 WHEN SOME EIGHT INCIDENTS CAME TO OUR ATTENTION--ALL LOCATED IN THE SOUTH AND ALL INVOLVING THE KU KLUX KLAN IN SOME FASHION. IN 1979, THE NUMBER OF SUCH INCIDENTS RECORDED BY CRS, STILL INVOLVING THE KLAN OR SOME KNOWN ANTI-MINORITY ORGANIZATION, INCREASED TO 44 AND INVOLVED LOCATIONS IN OTHER PARTS OF THE COUNTRY AS WELL. THE NEXT YEAR, CRS NOTED 30 INCIDENTS INVOLVING THE KLAN AND SIMILAR HATE GROUPS. WE ALSO BEGAN IN 1980 TO RECORD OTHER RACE-RELATED INCIDENTS THAT WERE BROUGHT TO OUR ATTENTION INVOLVING SUCH ACTS AS CROSS BURNINGS, FIREBOMBINGS, DESECRATION OF RELIGIOUS INSTITUTIONS AND OTHER SUCH ACTS WHERE THE IDENTITY OF THE PERPETRATOR OR PEPETRATORS WAS UNKNOWN OR DID NOT BELONG TO A FORMAL HATE ORGANIZATION. THERE WERE 69 SUCH INCIDENTS THAT CAME TO OUR ATTENTION IN 1980.

THE NUMBER OF CRS ALERTS INVOLVING KLAN OR KLAN-RELATED ACTIVITY PEAKED AT 69 IN 1982 AND APPEARS TO HAVE DECLINED TO AN AVERAGE OF ABOUT 45 FOR THE PAST FOUR FISCAL YEARS. AT THE SAME TIME, IN PART DUE TO INCREASED PUBLIC AWARENESS, AND IMPROVED REPORTING PROCEDURES, WE HAVE SEEN THE NUMBER OF ANONYMOUS COMPLAINTS RISE STEADILY. A PORTION OF THIS INCREASE CAN BE ATTRIBUTED TO A THIRD CATEGORY OF INCIDENT REPORTS: COMMUNITY-BASED RESISTANCE BY PREDOMINANTLY ONE ETHNIC GROUP TO THE MOVE-IN OR PRESENCE OF ANOTHER ETHNIC GROUP. AN INCREASING PERCENTAGE ALSO INVOLVES INDIGENOUS MINORITIES WHO ARE RESISTING THE SETTLING IN OF OTHER, MOSTLY ASIAN, MINORITIES.

IT IS NOT MY BELIEF THAT ENCLAVES SUCH AS HOWARD BEACH, NY. OR FORSYTH COUNTY, GA. ARE A REFLECTION OF A RISING TIDE OF RACISM IN THE UNITED STATES. AS DISTURBING AS THESE INCIDENTS ARE, IT CANNOT BE OVERLOOKED THAT SOCIAL INTEGRATION IN THIS COMPLEX MOSAIC OF A COUNTRY IS MOVING AHEAD AT A DETERMINED PACE. IF ANYTHING, THESE INCIDENTS MAY BE AN ACKNOWLEDGEMENT OF THIS TREND. A RECENT STUDY BY THE URBAN INSTITUTE, BASED ON 1980 CENSUS DATA, INDICATES THAT BLACKS AND WHITES ACROSS THE NATION HAVE BEGUN LIVING IN MORE INTEGRATED SETTINGS DURING THE 1970's. INDEED, AN UNDENIABLE REFLECTION OF THIS PHENOMENON WAS THE 20,000 FRIENDS, NEIGHBORS AND FELLOW AMERICANS WHO MARCHED IN CUMMING, GA. ON JANUARY 24, 1987.

NONETHELESS, WHILE THESE INCIDENTS ARE COMPARATIVELY FEW IN NUMBER MEASURED AGAINST THE BACKDROP OF EVERYDAY POSITIVE RACIAL RELATIONS, WE IN CRS CANNOT AFFORD TO BE SANGUINE ABOUT POTENTIAL IMPLICATIONS. FOR IF LEFT UNATTENDED, THESE INCIDENTS COULD SPREAD LIKE A CANCER. ORGANIZATIONS ACROSS THE COUNTRY ARE CONVENING HEARINGS ON HATE VIOLENCE. GOVERNORS' OFFICES, POLICE DEPARTMENTS, AND COMMUNITY GROUPS FROM RHODE ISLAND TO IDAHO TO CALIFORNIA ARE REQUESTING CRS ASSISTANCE IN DEVISING EFFECTIVE RESPONSES TO HATE CRIMES. WE HAVE NOTED A FEW INSTANCES OF HATE VIOLENCE AND INTIMIDATION TAKING PLACE IN PUBLIC HOUSING. TO THIS END, WE BEGAN EXPLORATORY DISCUSSIONS WITH HUD'S FAIR HOUSING STAFF AND WE ANTICIPATE A CLOSER WORKING RELATIONSHIP IN FY 1988.

CRS CASEWORK IN THE AREA OF ADMINISTRATION OF LAW ENFORCEMENT SERVICES HISTORICALLY HAS BEEN HELPING TO REDUCE THE CONFLICT AND TENSIONS THAT FLOW FROM ALLEGATIONS OF EXCESSIVE USE OF FORCE, AND STRAINED POLICE-MINORITY RELATIONS. THE MARKED IMPROVEMENT WHICH WE HAVE NOTED IN THIS AREA HAS BEEN CONFIRMED BY A RECENT NATIONAL STUDY WHICH INDICATES THAT THERE HAS BEEN MORE THAN A 50 PERCENT REDUCTION IN POLICE AND CIVILIAN FATALITIES RESULTING FROM POLICE ENCOUNTERS OVER THE PAST 15 YEARS IN THE 50 LARGEST CITIES IN THE NATION. WE LIKE TO THINK THE WORK OF CRS HAS SOMETHING TO DO WITH THIS REDUCTION. WE ARE DISTURBED NONETHELESS, BY A PERSISTENCE IN POLICE-MINORITY INCIDENTS THAT CONTINUE TO MAR THE POTENTIAL FOR EFFECTIVE PARTNERSHIPS IN THE

FIGHT AGAINST CRIME. IN THIS REGARD, WE WERE PLEASED TO SEE OVER 200 POLICE EXECUTIVES ATTEND OUR FORUM ON POLICE-COMMUNITY RELATIONS AT THE INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE CONFERENCE THIS PAST FALL. OTHER ORGANIZATIONS SUCH AS THE FLORIDA STATE ASSOCIATION OF CRIME PREVENTION OFFICERS, AND THE BEAUMONT, TEXAS POLICE DEPARTMENT ARE SOLICITING CRS ASSISTANCE TO BETTER REACH AND SERVE MINORITY COMMUNITIES. IT HAS BEEN GRATIFYING TO WITNESS THE PUSH FOR POLICE PROFESSIONALISM AND WE APPRECIATE THE SUPPORT OF THIS COMMITTEE IN OUR EFFORTS TO ASSIST THIS MOVEMENT. THERE IS, HOWEVER, MUCH STILL TO BE DONE.

OPENING THE CHANNELS OF COMMUNICATION BETWEEN POLICE AND MINORITIES HAS BEEN MADE MORE DIFFICULT IN RECENT YEARS WITH THE CONTINUED IN-MIGRATION OF NEW ETHNIC GROUPS. INTERFACE BETWEEN MANY SOUTHEAST ASIAN REFUGEES AND GOVERNMENT AND AGENCY INSTITUTIONS HAS BEEN IMPEDED BY LANGUAGE AND CULTURAL DIFFERENCES. THE SAME PROBLEMS HAVE HAD A DOUBLE EDGE, REFLECTED IN THE VICTIMIZATION OF ASIANS WHO MAY BE SEEN AS EASY TARGETS OF CRIME. TOO LITTLE INTERACTION BETWEEN ASIANS AND POLICE OFFICERS IN THESE INSTANCES EXACERBATES THE PROBLEMS OF PROVIDING EQUITABLE LAW ENFORCEMENT SERVICES. IN AN EFFORT TO ADDRESS THIS DILEMMA, THIS PAST YEAR WE CONVENED A CONSULTATION FOR 15 GULF COAST CITIES, FROM TEXAS THROUGH FLORIDA, TO IMPROVE THE PROVISION OF POLICE SERVICES TO REFUGEE COMMUNITIES AND OTHERS IN THAT AREA.

ANOTHER MAJOR DEMOGRAPHIC CHANGE WILL BE GENERATED BY THE RECENTLY ENACTED IMMIGRATION REFORM AND CONTROL ACT. CRS IS PREPARED TO ASSIST THE IMMIGRATION AND NATURALIZATION SERVICE TO ACHIEVE ITS GOAL OF FAIR AND EFFECTIVE ENFORCEMENT BY PREVENTING OR RESOLVING COMMUNITY-RELATED PROBLEMS THAT COULD ARISE DURING THE IMPLEMENTATION PROCESS. ETHNIC AND RACIAL TENSIONS COULD OTHERWISE INCREASE THE COSTS, DELAYS, AND TURMOIL ASSOCIATED WITH THE IMPLEMENTATION OF THE NEW LAW. TOWARD THIS END, WE HAVE ALREADY BEGUN TO ESTABLISH COMMUNITY TASK FORCES TO WORK WITH THE IMMIGRATION SERVICE TO HEAD OFF POTENTIAL CONFLICT.

WITH REFERENCE TO OUR RESPONSIBILITIES UNDER TITLE V OF THE REFUGEE EDUCATION ASSISTANCE ACT OF 1980, WE EXPECT TO OUTPLACE THE SAME NUMBER OF MARIEL CUBANS FROM FEDERAL DETENTION AS THIS YEAR, 353. MOST OF THESE ENTRANTS WILL BE RESETTLED THROUGH OUR HALFWAY HOUSE PROGRAM. A SELECT FEW WILL BE PLACED WITH CAREFULLY SUPERVISED FAMILY SPONSORS. AN INCREASE IN RESETTLEMENT CAPACITY FROM LAST YEAR TO THIS YEAR WAS MADE POSSIBLE THROUGH THE REDUCTION OF THE RESIDENTIAL PHASE OF THE HALFWAY HOUSE PROGRAM FROM SIX TO FOUR MONTHS.

WE ALSO EXPECT TO CONTINUE OUR SHELTER/CARE PROGRAM FOR CUBAN AND HAITIAN CHILDREN WHO ARE DETAINED BY THE IMMIGRATION SERVICE. THIS PROGRAM ENSURES THAT CUBAN AND HAITIAN CHILDREN IN FEDERAL CUSTODY ARE NOT HELD IN ADULT DETENTION FACILITIES AND ARE PROVIDED APPROPRIATE CARE AND SERVICES.

IN SUMMARY, WE SEE SOME TROUBLING EVENTS THAT COUNSEL OUR CONTINUING VIGILANCE: VIGILANCE TO ASSURE THAT HATE GROUPS ARE NOT PERMITTED TO DEPRIVE CITIZENS OF THEIR CIVIL RIGHTS; VIGILANCE TO ASSURE THAT PREJUDICE, ETHNIC RESENTMENT, AND THE FEAR OF ECONOMIC COMPETITION FROM MINORITY AND IMMIGRANT GROUP MEMBERS ARE NOT PERMITTED TO DEPRIVE CITIZENS OF THEIR CIVIL RIGHTS. THE BASIC CHARACTER AND DECENCY OF THE AMERICAN PEOPLE, HOWEVER, WERE REFLECTED IN THE TURNOUT OF SOME 20,000 MARCHERS IN FORSYTH COUNTY, NOT IN THE RELATIVE HANDFUL OF HECKLERS AND BOTTLE THROWERS.

THERE IS A NEED TO MAINTAIN A BALANCE SO THAT THE NEGATIVE FORCES DO NOT OVERWHELM THE PROGRESS THE COUNTRY HAS MADE THUS FAR. WITH YOUR SUPPORT, WE INTEND THAT THE COMMUNITY RELATIONS SERVICE CONTINUE ITS WORK IN THAT EFFORT.

THANK YOU. I WOULD BE PLEASED TO RESPOND TO ANY QUESTIONS THAT YOU MIGHT HAVE.

BIOGRAPHICAL INFORMATION—WALLACE WARFIELD, COMMUNITY RELATIONS SERVICE, U.S. DEPARTMENT OF JUSTICE

Wallace Warfield is currently the Acting Director for the Community Relations Service, Department of Justice. Mr. Warfield joined the agency in 1968 and served in several capacities including conciliator, mediator, Deputy Regional Director, Acting Regional Director in the New York Office and Associate Director for Field Coordination before assuming his present position.

Before joining the Community Relations Service, Mr. Warfield worked at the Lower West Side Community Corporation in New York as Deputy Director. Prior to this, he worked with the New York City Youth Board as a Street Gang Worker.

Mr. Warfield was born in New York city. He received a B.A. degree from Howard University and his Masters in Public Administration from the University of Southern California extension in Washington, D.C.

OPENING STATEMENT

Mr. WARFIELD. My colleagues and I are pleased to appear in support of the 1988 appropriation request of the Community Relations Service. The request is for $29,123,000, 118 permanent positions and 113 workyears. This represents an increase of $1,596,000 for adjustments to base items and program decreases of $2,300,000. The decrease is drawn from two sources: $505,000 represents savings in administrative support and other than permanent employee categories; and we are in the process of modifying our program planning efforts to more effectively target resource allocation to case activity.

$1,795,000 represents proposed savings in the processing and care of Cuban and Haitian entrants due to reduced per diem rates for the care of mentally ill Mariel Cubans and reduced operating costs for the program at St. Elizabeth's Hospital.

We come before this committee in an atmosphere of renewed concern about racial tensions and race relations in the United States. When we came before this subcommittee to testify on fiscal year 1987 appropriations request, we noted the rise in racial hate incidents. We began to catalogue incidents of racial violence in 1978. While the number of incidents pertaining to the Ku Klux Klan, or formal hate organizations, has declined to an average of about 45 from 1983 to 1986, the number of anonymous incidents has risen steadily since 1980.

Despite the persistence of these incidents in enclaves such as Howard Beach or Forsythe County, it does not hold that America therefore is a racist country. Integration is moving ahead at a determined pace and, if anything, these incidents may be an acknowledgement of this trend.

Nonetheless, while these incidents are comparatively few in number, we in CRS cannot afford to be sanguine about their potential implications where, if left unattended, these incidents could spread like a cancer. Governors' offices, police departments, and community groups from around the country are requesting CRS assistance in devising effective responses to hate crimes, and we anticipate continued activity in this area in 1988.

CRS case work in the area of administration of law enforcement services historically has been helping to reduce the conflict and tensions that flow from allegations of excessive use of force which strain police-minority relations. Some studies have suggested a marked decrease in police and civilian fatalities over the last sever-

al years, and we believe that CRS has had a role in this reduction. But this only tells part of the story. We are disturbed by the persistence of police-minority incidents, short of deadly force, that continue to mar the potential for effective partnerships in the fight against crime. We continue to receive large numbers of requests for assistance from members of the police community as well as civilian organizations.

With respect to the Immigration Reform and Control Act, CRS is prepared to assist the Immigration and Naturalization Service to achieve its goal of fair and effective enforcement by preventing or resolving community-based problems that could arise during the implementation process. Toward this end we have already begun to establish community task forces to work with the Immigration Service to head off potential conflict.

With reference to our responsibilities under Title V of the Refugee Education and Assistance Act of 1980, we expect to outplace the same number of Mariel Cubans from Federal detention as this year, 353. Most of these entrants will be resettled through our halfway house program. A select few will be placed with carefully supervised family sponsors. An increase in resettlement capacity from last year to this year was made possible through the reduction of the residential phase of the halfway house program from six to four months.

We also expect to continue our shelter care program for Cuban and Haitian children who are detained by the Immigration Service. This program ensures that Cuban and Haitian children in Federal custody are not held in adult detention facilities and are provided appropriate care and services.

I might note that 1989 will be CRS' silver anniversary, and I came across a bit of legislative history that I thought would be of interest. Senator Lyndon B. Johnson said in his introduction of a bill for the Civil Rights Act of 1959 that "Civil rights involves the idea of human understanding and of human dignity. The outward manifestations of tolerance can be enforced by guns, clubs, and bayonets, but understanding does not exist until the people themselves will it to exist." I believe that CRS is a very important mechanism in helping the country move to that level of understanding.

I would be happy to answer any questions that you have, Mr. Chairman.

ORIGINAL FY 1988 REQUEST

Mr. SMITH. Has your budget been amended or changed since you originally proposed it back in September?

Mr. WARFIELD. Yes. We asked the Department for a budget of $37,857,000, and 126 positions. What went into the Office of Management and Budget was for $28,614,000 and 118 positions, and the congressional request is for $29,123,000 and 118 positions.

Mr. SMITH. Why did OMB add the $500,000 back? What was that for?

Mr. WARFIELD. Well, if I may ask Dale Meeks to respond?

Mr. MEEKS. It was primarily the difference in the base on which it was all calculated. The base that we went to originally this fall was based on anticipated congressional levels from last year and

did not take into account the Gramm-Rudman-Hollings reductions or the recent pay and retirement increases.

Mr. SMITH. There was an agreement, then, on the strength level?

Mr. MEEKS. Yes.

INCIDENT OCCURRENCE

Mr. SMITH. The incidents you spoke of in your statement occurred after that time. Do you view them as isolated incidents, which don't change your budget requirements?

Mr. WARFIELD. Well, sir, I don't know if I would consider them isolated as such. An analogy that I like to use is the Vietnamese or the refugee program that was taking place after the fall of Saigon, from 1978 to 1983 or so. At one point 14,000 refugees were coming in from Southeast Asia per month. Now, we in the Community Relations Service at that time experienced a number of conflicts related to that, but I think you would have to say that we witnessed a successful integration of these people into communities around the country, virtually without incident.

So I am saying that I think that these race-related incidents are very serious. There are enclaves. I would not want to indict whole States or jurisdictions on the basis of this, but, yes, I think we need to be very concerned about them.

CHANGES IN ETHNIC GROUP CONFLICTS

Mr. SMITH. Are your needs changing between ethnic groups?

Mr. WARFIELD. Somewhat, sir. I think that we're noticing more conflict now of an inter-ethnic nature. That is, even within the area of hate activity, although the basic aspects of this deals with white-against-black move-ins, if you will, increasingly we see activities occurring of interracial conflict between blacks and Southeast Asians who are moving into their communities, and between Hispanics of varying groups with each other. So I think the conflict now is becoming much more interracial, less blacks against the establishment than it was when we first began many years ago. I think that is increasing, and that is something we are going to have to be paying increasing attention to.

Mr. SMITH. You are the Acting Director?

Mr. WARFIELD. That's correct.

Mr. SMITH. Has a Director been named or is one going to be named?

Mr. WARFIELD. No, sir, not yet. I have no idea as to what the timing is on that.

Mr. SMITH. How long have you been acting?

Mr. WARFIELD. About ten-and-a-half months.

Mr. SMITH. OK. Thank you.

The subcommittee is adjourned until 9:00 tomorrow.

[The questions for the record, and the answers submitted thereto, follow:]

QUESTION FROM MR. NEAL SMITH

COMMUNITY RELATIONS SERVICE

Prevention and Conciliation of Community Disputes

Question:

On pages 9 and 11, you display workload tables to justify your reduction. Based on your actual 1987 experience to date, do you still believe your total 1987 and 1988 estimates are accurate? For the record, for each item provide the actual workload to date for 1987 and the similar workload through the same date in 1986.

Answer:

On the basis of estimated workload data for the first half of 1987, projections for 1987 and 1988 still appear to be valid. The exception is the stability shown in the number of alerts, which could conceivably justify a downward adjustment of our projection from 2,200 to 2,100, a figure closer to the 2,056 experienced in 1986.

The actual workload to date for 1987 and comparable data for 1986 are presented below:

	1987 6 Months Estimate	1986 6 Months	Percent Difference
Alerts Received.....	1,076	1,077	-0.1%
Assessments Processed.....	712	742	-4.0%
Conciliation Cases Conducted.	703	670	4.9%
Conciliation Cases Closed....	296	285	3.9%
Mediation Cases Conducted....	20	24	-16.7%
Mediation Cases Closed.....	9	11	-18.2%
Community Tension Appraisals Conducted.....	*	60	*

*Annual Appraisals of Racial Tension have not yet been completed for 1987.

Partial-year figures for Technical Assistance workload data, found on page 9, are not presently available. The $28,000 reduction proposed for this decision unit is directed at administrative support activities and is not expected to have any impact on casework productivity.

Reception, Processing and Care of Cubans and Haitians

Question:

What is the basis for your program reduction of $1,795,000 for the Reception, Processing and Care of Cubans and Haitians?

Answer:

The decrease of $1,795,000 will be absorbed through reduced per diem rates for the care of mentally ill Mariel Cubans and reduced operating costs at St. Elizabeth's Hospital. Reduced operating costs will be possible as a result of a reduction in bed capacity at St. Elizabeth's Hospital from 125 to 80 and the consolidation of the program into one building.

To accommodate this reduction in bed capacity, the Public Health Service will be able to transfer some of its long-term patients from St. Elizabeth's Hospital to the new 300-bed health unit at the Oakdale Federal Detention Center in Louisiana.

Question:

In 1986, you actually obligated over $4 million more than was appropriated. Why?

Answer:

The appropriation for the Reception, Processing and Care of Cubans and Haitians is without fiscal year limitation. In 1986, therefore, this budget activity was able to draw from its annual appropriation of $22,265,000 as well as from unobligated balances from prior years.

Because of the repatriation agreement with the Government of Cuba in December 1984, which led to the temporary phase-down of the CRS halfway house program, CRS did not obligate all of its 1985 appropriation. A significant portion of the unobligated balances were able to be used in 1986 to fund an additional halfway house program, provide funding to the Public Health Service for the care of mentally ill Mariel Cubans, and fund two interagency agreements with the Immigration and Naturalization Service for the Cuban Adjustment-of-Status Program and guard service at St. Elizabeth's Hospital.

Question:

Based on obligations to date, do you anticipate that 1987 appropriated amounts will be sufficient?

Answer:

The Reception, Processing and Care budget activity will be able to meet all of its programmatic needs and budget obligations through its annual appropriation, the pending 1987 supplemental request and unexpended balances from prior years.

Question:

Again, based on actual 1987 obligations, are you still confident in the accuracy of your 1988 request?

Answer:

The 1988 request reflects an accurate projection of Reception, Processing and Care program needs for that year. The request generally represents a continuation of this year's level of obligations and services for Cuban and Haitian entrants in federal custody.

FRIDAY, MARCH 13, 1987.

UNITED STATES TRUSTEES

WITNESSES

THOMAS J. STANTON, DIRECTOR AND COUNSEL, EXECUTIVE OFFICE FOR UNITED STATES TRUSTEES

ROBERT N. FORD, COMPTROLLER

MICHAEL J. ROPER, DEPUTY COMPTROLLER FOR BUDGET

U.S. TRUSTEE JUSTIFICATION

Mr. EARLY. Next we are going to hear from the United States Trustee System. Continuing with our review of the Department of Justice, we will now hear testimony concerning the United States Trustee System Fund.

The Fund requests $53,525,000 for Fiscal Year 1988. This is an increase of 90 percent over the Fiscal Year 1987 amount.

We will insert in the record at this point the Fund's Fiscal Year 1988 Budget Justification.

[The justifications follow:]

Department of Justice

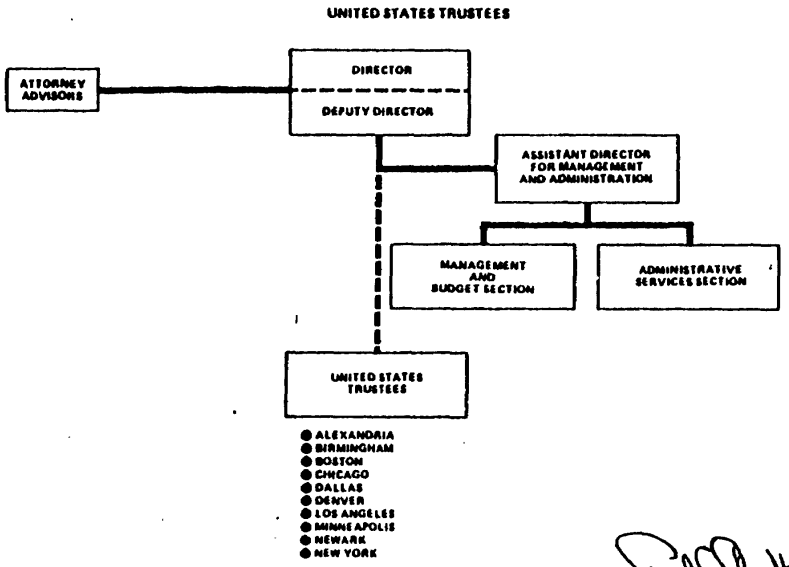
Legal Activities

United States Trustee System Fund

Estimates for Fiscal Year 1988

Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes to the Appropriation Language	3
Crosswalk of 1987 Changes	4
Summary of Requirements	5
Justification of Program and Performance	6
Financial Analysis - Program Changes	13
Priority Rankings	14
Detail of Permanent Positions by Category	15
Summary of Adjustments to Base	16
Justification of Adjustments to Base	17
Summary of Requirements by Grade and Object Class	21
Consulting and Related Services	23



Approved: _____
Edward C Schmults
Deputy Attorney General

Date: 2 JUN 1981

Legal Activities

United States Trustee System Fund

Summary Statement

Fiscal Year 1988

The 1988 budget request for the oversight of bankruptcy cases is 893 positions, 713 full-time equivalent (FTE) workyears and $53,525,000. In addition to transfers and uncontrollable increases of $15,713,000, and non-policy decreases of $4,549,000 the request includes a net program increase of 339 positions, 174 FTE workyears and $14,182,000. The proposed personnel increases represent the second year of a three year phase in to a nationwide U.S. Trustee program pursuant to the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986, Pub. L. 99-554, ("the 1986 Act"). By the end of FY 1988, at least the initial staff will have been hired in each of approximately 78 field offices needed to administer bankruptcy cases in all federal judicial districts.

Administration of Cases

The Administration of Cases program involves the oversight of bankruptcy cases filed in federal judicial districts specified by the 1986 Act. By the end of 1988, the districts will be served by 21 U.S. Trustees and at least 78 field office or sub-office locations. According to the phase in schedule in the 1986 Act, during 1987 there will be a total of 11 U.S. Trustee regions operating by August 24, 1987, encompassing a total of 52 federal judicial districts. The remaining 10 regions encompass 36 districts and will phase in during 1988 (no later than October 27, 1988).

The U.S. Trustees will continue to place major emphasis on performing the Congressional mandate to "serve as bankruptcy watchdogs to prevent fraud, dishonesty, and overreaching in the bankruptcy arena" (See H.R. Rept. No. 595, 1977, page 88). In addition to aggressive monitoring of fees charged by bankruptcy practicioners, the U.S. Trustees will maintain their highly effective procedures for referring criminal matters to the U.S. Attorneys and providing them with information needed for effective case prosecution. Referrals are made to the U.S. Attorneys or to state and local law enforcement or regulatory agencies as appropriate.

Another major program focus will be to guard against tax losses during bankruptcy proceedings. In 1988, the U.S. Trustees will continue to work closely with the Internal Revenue Service (IRS) to monitor debtor's prompt payments of withholding, social security and unemployment taxes to the U.S. Treasury. Financially strapped businesses often use taxes withheld from employees for their own working capital needs, rather than remit them to the IRS when due. This represents a significant loss of revenue to the federal government. The U.S. Trustees vigorously monitor financial reports and tax payment receipts to ensure that such accumulation of new tax liabilities does not occur.

Management and Administration

The Management and Administration program concerns the centralized legal, policy and administrative support for the bankruptcy case administration program. The major focus in 1988 will be to obtain the personnel, space, equipment, furniture, ADP systems and other resources needed to implement the program expansion.

Appropriation Structure Change

The 1986 Act established a new and separate appropriation, the United States Trustee System Fund, to pay for the necessary expenses of the U.S. Trustees. In 1987, the U.S. Trustees are funded from the appropriation, "Salaries and expenses, Oversight of Bankruptcy Cases" for part of their resources ($11,743,000) and from the United States Trustee System Fund for another part ($16,835,000). All program resources will be provided by the fund beginning in 1988. The 1986 Act established a number of new fees and charges in bankruptcy cases which are to be deposited to the Fund. Once expansion of the program is completed, the fund is expected to be self-sustaining; future U.S. Trustee resources will come from the receipts to the fund.

924

Legal Activities

United States Trustee System Fund

Justification of Proposed Changes in Appropriation Language

The 1988 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

United States Trustee System Fund

For the necessary expenses of the United States Trustees program, $53,525,000 for activities authorized by Sec. 115 of the "Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986," (Pub. L. 99-554): Provided, That deposits to the fund are available in such amounts as may be necessary to pay refunds due depositors.

[Salaries and Expenses, Oversight of Bankruptcy Cases]

[For necessary expenses of the bankruptcy trustees, $11,500,000. Effective immediately before November 10, 1986, section 408(c) of the Act of November 6, 1978 (Public Law 95-598, 92 Stat. 2687), is amended by striking out "November 10, 1986" and inserting in lieu thereof "September 30, 1987".]

Explanation of Change

Public Law 99-554, the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986, amended title 28 of the United States Code to establish a United States Trustee System fund. This special fund, authorized without fiscal year limitation, provided that fees should be available for certain expenses as may be specified in appropriation Acts.

Legal Activities

United States Trustee System Fund

Crosswalk of 1987 Changes
(Dollars in thousands)

	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			Reprogrammings			1987 Supplementals Requested				1987 Appropriation Anticipated		
										Program			Pay &			
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	FERS	Pos.	WY	Amt.
1. Bankruptcy Matters																
a. Administration of cases.....	173	162	$9,958	...	...	-$163	...	...	...	327	85	$14,507	$210	500	247	$24,512
b. Management and administration.	20	19	1,705	...	...	...	...	...	...	34	17	1,929	33	54	36	3,667
Total.....	193	181	11,663	...	...	-163	...	...	...	361	102	16,436	243	554	283	28,179

Congressional Appropriation Actions on 1987 Request

Congress reduced the appropriation amount requested by $163,000.

1987 Supplementals Requested. A program supplemental of $16,436,000 is requested to fund the first year of expansion to a nationwide program. A pay supplemental of $93,000 is requested to meet increased pay requirements pursuant to P.L. 99-500 and $150,000 is requested to cover costs associated with implementation of the new Federal Employees Retirement System (FERS).

Legal Activities

United States Trustee System Fund

Summary of Requirements
(Dollars in thousands)

Adjustments to Base:	Perm. Pos.	Work-years	Amount
Department of Justice Appropriations Act, 1987	193	181	$11,500
1987 Pay and retirement supplemental requested	...	...	243
1987 Program supplemental requested	361	102	16,436
1987 appropriation anticipated	554	283	28,179
Transfers	...	...	2
Uncontrollable increases	...	248	15,711
Decreases (automatic non-policy)	...	...	-4,549
1988 Base	554	541	39,343

Estimates by budget activity	1986 Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos	WY	Amt.	Perm. Pos	WY	Amt.	Perm. Pos.	WY	Amt.
1. Bankruptcy matters	179	184	9,759	179	183	9,675	554	283	28,179	554	541	39,343	893	713	53,525	339	172	14,182
Reimbursable workyears		184			183			283			541			713			172	
Total Workyears		...			...			0			3			5			2	
Overtime		184			183			283			544			718			174	
Total compensable workyears																		

Legal Activities

United States Trustee System Fund

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Bankruptcy Matters	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Administration of cases	500	247	$24,512	500	489	$34,072	839	661	$48,254	339	172	$14,182
Management and administration	54	36	3,667	54	52	5,271	54	52	5,271	---	---	---
Total	554	283	28,179	554	541	39,343	893	713	53,525	339	172	14,182

This budget activity includes all of the resources for the United States Trustee program. Funds requested for this activity support the U.S. Trustee program personnel involved at headquarters and in the field offices in the supervision of bankruptcy case administration in a total of 88 federal judicial districts.

	1987 Appropriation Enacted			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Administration of cases	500	247	$24,512	500	489	$34,072	839	661	$48,254	339	172	$14,182

Long-Range Goal: To assure the effective administration of bankruptcy cases, with the maximum confidence of creditors, debtors and the courts. Also, to permit judges to focus on legal matters in the cases before them, by removing judges from case administration.

Major Objectives: In creating the U.S. Trustee system, the Congress cited the necessity for separating administrative and adjudicative functions "to afford bankruptcy litigants the fair and impartial justice to which all other litigants in the federal courts are entitled." 1/ Within this broad responsibility the objectives of the U.S. Trustees are:

To supervise the performance of Chapter 11 debtors-in-possession (or trustees and examiners) to preserve the going-concern value of the business, prevent administrative insolvencies and guard against tax losses to the Treasury.

To maximize assets of estates and distributions to creditors.

To monitor the costs of estate administration (primarily fees).

To recruit, select, train and maintain panels of qualified individuals to serve as private trustees in Chapter 7 cases.

To supervise the administration of Chapter 12 and 13 cases by standing trustees and, if possible, to reduce the costs thereof.

To encourage creditor participation in bankruptcy cases.

To ensure that parties in a bankruptcy case act in conformance with the law, and that fraud, dishonesty, and overreaching in the bankruptcy arena are prevented.

To assign cases to panel members on a fair and impartial basis and supervise their performance.

1/ H.R. Rep. No. 595, 95th Cong., 1st Sess. 91 (1977)

Base Program Description. The Bankruptcy Reform Act of 1978 established the U.S. Trustee pilot program in 18 federal judicial districts to address the problem of administering bankruptcy cases. Based on the successful test of this pilot program, the Congress passed the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986, extending the U.S. Trustee pilot program concept to 88 federal judicial districts by October 27, 1988. The expanded program will phase-in over the 1987 to 1989 period. The major thrust of bankruptcy reform is to separate the adjudicative and administrative functions in cases. Prior to the Bankruptcy Reform Act of 1978, judges performed both functions. They adjudicated legal issues and also supervised the trustees and other professionals they appointed to administer the cases. The judges often developed close relationships with members of the bankruptcy bar, who would appear before the judges in court. The appearance of conflicts of interest and perceptions of lack of judicial propriety arose out of the judges' dual role in handling cases. The U.S. Trustees' role, then, is to supervise the administrative aspect of cases while leaving to the bankruptcy judges the more traditional role of adjudicating the legal issues which arise in cases.

The "Administration of Cases" program consists of persons located in field offices headed by U.S. Trustees and a smaller number of sub-offices. These offices are responsible for supervising the administration of cases filed under Chapters 7, 11, 12 and 13 of Title I of the Act. During 1987, U.S. Trustee offices will be located in Boston; New York City; Newark, New Jersey; Alexandria, Virginia; Tampa, Florida; Dallas; Chicago; Minneapolis; Los Angeles; Denver; and Wichita.

Chapter 7 liquidation cases are actually administered by private trustees. The appointments to individual cases are made by the U.S. Trustees from a panel of qualified trustees. Under Chapter 7, the trustee liquidates the nonexempt assets of the debtor and distributes the proceeds to creditors. The individual debtor then receives from the court a discharge of his or her unsecured debts and a financial "fresh start."

Under Chapter 11 business reorganization cases, the debtor usually continues to operate the business. However, the court may order appointment of a trustee where a need exists for an outsider to run the business. During this time, efforts are made to develop a reorganization plan, which may totally restructure the debtor's balance sheet. If a plan is confirmed by the court, Chapter 11 provides a framework for the eventual rehabilitation of the business.

One of the most significant accomplishments of the pilot program has been the U.S. Trustees' substantive monitoring of the financial condition of debtors-in-possession during the pendency of Chapter 11 proceedings. This close scrutiny often reveals mismanagement or dishonesty by the principals of an ongoing business concern, which, in turn, causes the U.S. Trustee to seek the appointment of an examiner or a trustee in the case. If the company cannot operate profitably, and there is little likelihood of a turnaround, action is taken to convert the case to a Chapter 7 liquidation proceeding.

Chapter 12 and 13 cases are administered by standing trustees appointed to serve in a particular geographical area. Under Chapter 12, certain family farmers can restructure their debts and repay them through a chapter 12 standing trusttee, avoiding the loss of the family farm. Under Chapter 13, individual debtors with a regular source of income can propose to pay all or some part of their debts over a period of time through a court-approved repayment plan. Under either chapter, the standing trustee collects the funds and disburses them to creditors. The principal role of the U.S. Trustees in these cases is to appoint and supervise the standing trustees, ensuring that there are adequate managerial and financial controls over their operations. Policy guidance is also provided on overall case administration.

The U.S. Trustees have always put major emphasis on performing their congressional mandate to "serve as bankruptcy watchdogs to prevent fraud, dishonesty, and overreaching in the bankruptcy arena." In addition to aggressive monitoring of fees charged by bankruptcy practitioners, the U.S. Trustees will continue their highly effective procedures for referring criminal matters to the U.S. Attorneys and providing them with information needed for effective case prosecution. The U.S. Trustees will also continue to work closely with other government agencies such as the Internal Revenue Service to assist in the realization of post-petition tax payments, and with state and local regulatory agencies on matters such as consumer fraud.

Principal statutory authority for the U.S. Trustees is contained in 28 U.S.C. § 581 - 589. The substantive bankruptcy provisions are in Title 1 of the Bankruptcy Reform Act of 1978, Public Law No. 95-598, 92 Stat. 2549, codified as Title 11 United States Code. Specific duties and responsibilities of the U.S. Trustees are found throughout Title 11 United States Code. With enactment of the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986, Public Law No. 99-554, 100 Stat. 338, the U.S. Trustees' program became permanent within the Department of Justice.

Accomplishments and Workload: The table below summarizes the bankruptcy cases under chapter 7, 11, and 13 of the Bankruptcy Code administered by the U.S. Trustees in pilot districts.

	1985	1986	1987	1988
1. Cases Administered under Chapter 7:				
a. Active, start of year	66,054	74,765	99,888	137,660
b. Filed	72,780	100,123	127,772	141,500
c. Inactivated	64,069	75,000	90,000	100,000
d. Active, end-of-year	74,765	99,888	137,660	179,160
2. Cases Administered under Chapter 11:				
a. Active, start of year	9,306	10,756	11,971	13,036
b. Filed	6,615	6,715	7,565	7,565
c. Inactivated	5,165	5,500	6,500	7,000
d. Active, end-of-year	10,756	11,971	13,036	13,601
3. Cases Filed under Chapter 13:	30,339	35,367	39,788	44,271

The data presented above show the steady increases in Chapter 7, and 13 bankruptcy cases filed and the substantial increase in the backlog of all active caseloads handled by U.S. Trustee pilot districts. The active caseloads are considered to be the best measure of the work handled by each office, because work is performed on the cases in an active status. If supplemental 1987 funding and increased 1988 funding are approved, the program's caseload will increase to reflect the addition of new judicial districts and new U.S. Trustee offices. These jurisdictions and offices are specified in Sec. 302 of the 1986 Act. In 1986, the total number of cases filed in the judicial districts to be added during 1987 was 120,157. Those districts to be added in 1988 had total 1986 bankruptcy case filings of 245,183.

Chapter 11 business reorganization cases are the most complex and time consuming in the program and use the greatest percentage of staff resources. Since most of the Chapter 11 work requires legal or financial analysis skills, staff resources devoted to Chapter 11 cases are primarily professional rather than clerical. The professional staff role in Chapter 7 cases is less time consuming and involves primarily the supervision of the appointed panel trustees and the monitoring of attorney fees and other costs of estate administration. The routine administrative aspects of Chapter 7 cases are handled by paralegals.

Abt Associates of Cambridge, Massachusetts, a private research firm, performed a 15-month evaluation of the U.S. Trustee program for the Department of Justice, which was reported in April 1983 and updated in August 1985. Both studies compared case administration in the U.S. Trustee pilot districts with that in the non-pilot districts. In both the original study and the update, evaluators found that case administration was significantly more effective in the pilot districts. They concluded that the program has been successful in achieving the goals set for it by Congress.

The differences between pilot and non-pilot districts were particularly pronounced with respect to Chapter 11 business cases -- the most important cases in terms of size and complexity and impact on jobs, taxes and the economy. The evaluators found that the pilot districts had almost double the percentage of confirmed reorganization plans as the non-pilot districts. This is a measure of how successful the rehabilitation efforts were in ensuring that economically viable business enterprises "get back on their feet." The evaluators also found that the non-pilot districts had about two and one-half times the percent of Chapter 11 cases where no action was taken, compared with the U.S. Trustees pilot districts. This indicates how closely the cases were being monitored. The Abt Associates evaluators also found that U.S. Trustees were more diligent about meeting with debtors immediately after the Chapter 11 filing to gather facts about the cases and to take action where needed. U.S. Trustees were more successful in securing the timely appointment of creditor committees. In 1985, they appointed over 2,100 committees, a result of having made 4,800 phone calls and sending over 72,000 letters soliciting membership. Abt Associates also reported that U.S. Trustees were successfully filling the void in those cases which had no active creditor committees, were more aggressive in pursuing and reviewing debtor financial reports and operating statements and were making motions before the courts for remedial action when necessary. U.S. Trustees were found to be reviewing disclosure statements thoroughly and that disclosure statements fulfilled their role of fully informing creditors on the provisions of the Chapter 11 plan. In most non-pilot districts, there is no substantive review of disclosure statements by the clerks' offices.

In the Chapter 7 area, the Abt Associates evaluators found that more training, guidance and support to panel trustees was given in U.S. Trustee pilot districts than in the non-pilot districts. U.S. Trustees were also more aggressive in monitoring fees of professionals and challenging inappropriate requests for compensation. In 1985, the U.S. Trustees issued directives to the Chapter 7 panel trustees to institute new recordkeeping and reporting systems. These systems standardize the U.S. Trustees' monitoring of estate funds administered in Chapter 7 cases, assure that panel trustee records are auditable, and strengthen internal controls over the handling of estate funds. For the first time, the assets being administered by Chapter 7 panel trustees will be quantified with respect to pilot districts. Additionally, at the request of the Director and the U.S. Trustees, the Audit Staff, Justice Management Division, conducts a series of financial audits involving pilot district panel trustees.

Although U.S. Trustees commit a low percentage of their staff resources to the Chapter 13 area (most case matters are handled by standing trustees), the evaluators indicated the pilot program offered a better support system for the standing trustees by providing policy guidance and assistance as needed. The primary impact of the pilot program was on fiscal control of the standing trustee operations. A national audit program provides standardized audits emphasizing internal controls and managerial efficiency. Standardized budget submissions and procedures for fixing compensation and percentage fee levels were implemented as new Chapter 13 initiatives for 1985. Standing trustees finance their compensation and office expenses by investing idle funds and imposing percentage fees on payments made under approved Chapter 13 plans. If funds from these sources are greater than those needed for approved compensation and expenses, the surpluses are due to the U.S. Treasury pursuant to 28 U.S.C. § 586(e). Through aggressive monitoring of budgets, annual financial reports and audit reports, the U.S. Trustees have forwarded deposits to the U.S. Treasury totalling $1,856,000 for surplus funds generated in Chapter 13 cases over the period including 1984 through 1986.

Program Changes: The 1988 request includes a program increase of 339 positions, 172 workyears and $14,182,000.

The increase will provide the resources for the second year of expansion to a nationwide U.S. Trustee program. Section 302 of the 1986 Act specifies the judicial districts for which the program assumes its case supervision responsibilities as of October 24, 1988. The increased resources in this request would permit the Attorney General to certify all of these regions by September 24, 1988. Approximately 36 offices will be opened to supervise the cases in the judicial districts covered by the 1988 portion of program expansion. The regions and their groups of judicial districts are as follows:

UST Region	Judicial District(s)	UST Region	Judicial District(s)	UST Region	Judicial District(s)
5	N.D. MS	9	E.D. MI	14	D. AZ
	S.D. MS		W.D. MI		
	E.D. LA		S.D. OH	15	D. GUAM
	M.D. LA		N.D. OH		S.D. CA
	W.D. LA				D. HI
		10	C.D. IL		
7	S.D. TX		S.D. IL	17	E.D. CA
	W.D. TX		N.D. IN		N.D. CA
			S.D. IN		D. NV
8	E.D. TN				
	M.D. TN	13	D. NE	18	E.D. WA
	W.D. TN		W.D. AR		W.D. WA
	E.D. KY		E.D. AR		D. MT
	W.D. KY		W.D. MO		D. AK
			E.D. MO		D. OR
					D. ID

Resource levels to supervise cases in the new regions are justified by the number of judges assigned to each judicial district in each region, the expected caseload to be handled, the geographic area, and automated data processing needs. Staffing ratios were used to estimate the personnel requirements for the expanded program. Professional positions include the U.S. Trustees, Assistant U.S. Trustees, attorneys, bankruptcy analysts and case management specialists. The 10 U.S. Trustees in the 1988 request and the regions for which they will be appointed are noted above. At least one Assistant U.S. Trustee is assigned to each region, with more if the caseload or geographic dispersion so indicate. The need for attorneys and bankruptcy analysts was estimated on the basis of expected caseload. The attorneys perform all senior legal functions including appearing before bankruptcy courts to argue motions, negotiations with creditors' committees or debtors, and monitoring cases for substantive compliance with bankruptcy laws. The bankruptcy analysts monitor the financial health of chapter 11 debtors and provide financial and accounting assistance to investigative agencies in pursuit of bankruptcy frauds, embezzlements, misappropriations and other bankruptcy related crimes. Case management specialists (one per U.S. Trustee region) are included in the request to operate the automated case management system.

Support personnel include staff assistants, legal data technicians, paralegal specialists, legal clerks and secretaries. One staff assistant position and one secretarial position were estimated for each U.S. Trustee region; the staff assistants will perform office administrative duties and be responsible for fee collection. The paralegal, legal clerk and legal data technician positions were estimated on the basis of caseload and the projected numbers of professional positions each would support in the regions.

The audit function will be performed on a contract basis, either by reimbursement to the Justice Management Division's Audit Staff, or by a private sector concern, or both. During the operation of the pilot program, audits of the books and records of private trustees have uncovered financial irregularities and led to successful prosecutions. More successful prosecutions are expected as the program ventures into areas previously supervised by the bankruptcy courts. In the non-pilot districts, it is unlikely that auditable records have ever been maintained by private trustees, and serious problems are expected.

A strengthened corps of bankruptcy analysts is included in the estimate to provide financial and accounting assistance on bankruptcy matters subsequent to referral to appropriate law enforcement authorities. Experience with the pilot program shows that prosecutors are willing to proceed with cases only when they are adequately documented. Existing investigatory resources and the prosecutors' offices often lack the accounting and bankruptcy expertise to develop cases. Also, the new priority assigned to bankruptcy related prosecutions will still compete with higher priority matters. Where audits or financial reports required to be filed with the U.S. Trustee office indicate the possibility of criminal behavior, these analysts will be proficient in reconstructing bankruptcy case records to determine whether crimes have been committed and whether appropriate investigative or prosecutory agencies should be involved.

Installation of an automated case management system will be a priority project during expansion of the program. Congress included a requirement for a demonstration automated system in the 1986 Act. The pilot case management system in the original U.S. Trustee program has been operating successfully in two offices for two years. The system monitors the status of open cases, generates correspondence, drafts legal pleadings according to the case status, and assists with chapter 11 financial analysis and scheduling of meetings of creditors.

High lapse rates were used because most offices opening in 1988 will not be ready in time to allow for the ordinary 25 percent rate to apply. New permanent positions in the 1988 request are lapsed at a 46 percent rate, and other lapse rates were applied to non-personnel object classes to reflect expected funding needs during FY 1988. After reduction for non-recurring decreases associated with the new positions, net annualization costs in FY 1989 are estimated to involve 170 workyears and $4,634,000.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Management and administration.....	54	36	$3,667	54	52	$5,271	54	52	$5,271	...	...	...

Long Range Goal. To furnish U.S. Trustees with effective and efficient management, policy direction, legal advice, administrative support and coordination.

Major Objectives.

To develop policies which foster efficient implementation of the program created by the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986," (Pub. L. 99-554), including assuring that actions taken in bankruptcy cases are consistent with the law.

To develop program priorities.

To implement the nationwide expansion of the U.S. Trustee program.

To review the management operations of field offices and recommend systems and procedures for improving the operational efficiency and effectiveness of these offices.

To provide a full range of administrative support services to the field offices, including personnel, procurement, and space management.

To provide legal and paralegal research and support services to field offices.

To determine ADP and word processing requirements of field offices and provide for the necessary procurement, installation and maintenance of suitable systems.

To perform audits of private trustee performance.

To develop and maintain administrative, substantive and law enforcement, operating manuals for guidance of U.S. Trustees.

To allocate field office staff and other resources and control the expenditure of funds in a manner which permits program accomplishments within appropriated levels and consistent with OMB Circular A-123.

To provide for liaison with other Department of Justice offices, boards and divisions with respect to administrative and legal matters.

To provide for liaison with Congress and with central administrative bodies, such as the Office of Management and Budget, the Office of Personnel Management, the General Services Administration and the Administrative Office of the U.S. Courts.

Base Program Description. The U.S. Trustee system requires centralized policy guidance, coordination and administrative support. The Director and Deputy Directors of the Executive Office for United States Trustees provide policy and management direction to the U.S. Trustees and their staff in the field. The legal services staff is responsible for giving legal advice and opinions to the U.S. Trustees and for assistance in maintaining the quality of legal work performed in the field offices. The management and administrative staff is responsible for budget development and execution, resource allocation, procurement and contracts, personnel, space, accounting, automated management information systems, program auditing, and management assessments of field office operations. There are numerous federal regulations, laws and executive orders which must be followed by the U.S. Trustees and which require the services of the Executive Office. For example, the General Services Administration regulations governing the acquisition and use of space require centralized handling of these responsibilities. The complexity of federal personnel regulations likewise precludes the delegation of this function to field office personnel. Procurement can be handled more cost effectively at the headquarters level. Program-wide legal and administrative policies can only be established and monitored effectively from one central location.

Accomplishments and Workload. The present staff has been able to meet the requirements of field personnel with a minimum of delay. Responsiveness to field office needs has been excellent in spite of the heavy demands placed on the administrative section, particularly in the areas of personnel and procurement, and on the legal staff, particularly in view of dealing with new substantive provisions of law.

The word processing component of an automated case tracking system has been implemented in all pilot field offices. During 1986, the computer portion of the system was pilot tested in the Alexandria field office and then implemented in the new Santa Ana office. Based on an evaluation of the computer test, expansion will begin to the Los Angeles and Chicago U.S. Trustee office (the largest in the country) during 1987. The expansion to other field offices is expected to coincide with program expansion over the period 1987-1989.

A U.S. Trustee administrative manual and guidelines for Chapter 13 standing trustees have been issued; several other operational manuals are being prepared for guidance in case administration. A national audit program for standing trustees has been implemented. Chapter 7 audit activities commenced during 1985. Training programs have been conducted for bankruptcy analysts and paralegals. For enhanced policy development and coordination, program-wide meetings are held periodically.

Program Changes. In 1988, only base program resources are being requested. This funding level represents an annualization of supplemental 1987 resources, providing a larger Executive Office to service the expanded field office program. By the end of 1988, the larger Executive Office will coordinate policy legal and administrative activities and audits for offices serving all 94 federal judicial districts.

Legal Activities

United States Trustee System Fund

Financial Analysis - Program Changes
(Dollars in thousands)

	Administration of Cases		Total	
	Pos.	Amount	Pos.	Amount
Executive Level IV, $72,300	10	$723	10	$723
GS/GM-15, $53,830-69,976	13	781	13	781
GS/GM-14, 45,763-59,488	21	1,052	21	1,052
GS/GM-13, $38,727-50,346	50	2,162	50	2,162
GS-12, $32,567-42,341	35	1,273	35	1,273
GS-11, $27,172-32,148	32	971	32	971
GS-9, $22,458-29,199	37	928	37	928
GS-8, $20,333-26,435	38	863	38	863
GS-7, $18,358-23,866	51	1,045	51	1,045
GS-6, $16,521-21,480	8	148	8	148
GS-5, $14,822-19,268	15	248	15	248
Ungraded	29	2,034	29	2,034
Total positions and annual rate	339	12,228	339	12,228
Lapse (-)	-169	-6,708	-169	-6,708
Other than permanent positions	2	46	2	46
Other personnel compensation	2	57	2	57
Total workyears and personnel compensation	174	5,623	174	5,623
Personnel benefits		651		651
Benefits to former personnel		11		11
Travel and transportation of persons		104		104
Transportation of things		120		120
Standard level user charges		888		888
Other rent, communications and utilities		581		581
Rental payments to others		225		225
Printing		91		91
Other services		2,717		2,717
Supplies and materials		586		586
Equipment and furniture		2,585		2,585
Total workyears and obligations, 1988	174	14,182	174	14,182

Legal Activities

United States Trustee System Fund

Priority Rankings

Base Program	
Program	Ranking
Administration of Cases	1
Management and Administration	2

Program Increase	
Program	Ranking
Administration of Cases	1

Legal Activities

United States Trustee System Fund

Detail of Permanent Positions by Category
Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized	1987 Program Supplemental	1987 Total	1988 Program Increase	1988 Total
U.S. Trustees or Assistant U.S. Trustees (301)	23	23	26	49	44	93
Bankruptcy Analysts (301)	22	22	57	79	50	129
Attorneys (905)	18	20	65	85	55	140
Paralegal Specialists (950)	41	45	66	111	64	175
Other Legal and Kindred (900-998)	51	56	100	156	96	252
Personnel Management (200-299)	1	1	5	6	0	6
Management Systems Specialists (301)	0	2	26	28	10	38
General Admin., Clerical and Office Services (300-399)	22	22	10	32	20	52
Accounting and Budget (500-599)	1	2	6	8	0	8
Total	179	193	361	554	339	893
Washington	20	20	34	54	0	54
U.S. Field	159	173	327	500	339	839
Total	179	193	361	554	339	893

Legal Activities

United States Trustee System Fund

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1987 appropriation anticipated	554	283	$28,179
Adjustments to base:			
Transfers to and from other accounts:			
Transfer of FASS Group	...	...	2
Total, transfers	...	...	2
Uncontrollable increases:			
One additional compensable day	...	...	26
Annualization of 15 additional positions approved in 1987	...	10	561
Annualization of 361 additional positions requested in supplemental	...	248	14,090
Annualization of Federal Employees' Retirement System Costs	...	...	301
Annualization of 1987 pay increase	...	...	156
Within-grade increases	...	...	65
Pay for performance awards system	...	...	24
Locality based per diem	...	...	49
GSA rent	...	...	169
GSA Recurring reimbursable services	...	...	2
Federal Telecommunications System (FTS)	...	...	100
Telephone service	...	...	2
Employee data and payroll services	...	...	9
General pricing level adjustment	...	...	99
Administrative salary increase	...	...	58
Total, uncontrollable increases	...	258	15,711
Decreases:			
Nonrecurring costs for equipment for 15 new positions authorized in 1987	...	...	-17
Nonrecurring costs for other services for 15 new positions authorized in 1987	...	...	-12
Reduction in Health Benefits	...	...	-9
Non-recurring costs associated with 1987 supplemental request	...	...	-4,511
Total, Decreases	...	...	-4,549
1988 Base	554	541	39,343
Program Changes:			
Administration of Cases	339	172	14,182
Total, program changes	339	172	14,182
1988 Request	893	713	53,525

Legal Activities

United States Trustee System Fund

Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Transfers to and from other accounts:			
1. Transfer of FASS group. This represents the transfer of the Financial and Administrative Systems Support Group from the General Administration to the Working Capital Fund. The transfer of this group will place all of JMD financial, administrative systems support services on a user-reimbursable basis.	...	...	$2
Uncontrollable increases:			
1. One additional compensable day. The annual salary rate for Federal employees is based on 260 paid days. FY 1988 has one more compensable day (262) than 1987 (261). (Permanent personnel compensation $6,220,000: 260 = $24,000 plus $2,000 for benefits.)	...	...	26
2. Annualization of additional positions approved in 1987. This provides for the annualization of 15 additional positions approved in 1987.	...	10	561

	1987 Increase	Annualization Required
Annual salary rate of 15 approved positions	$426,000	
Less lapse (60 percent)	-296,000	
Net compensation	130,000	$296,000
Associated employee benefits	22,000	35,000
Travel	4,000	19,000
Transportation of things	3,000	2,000
GSA rent	33,000	91,000
Communications, utilities and misc. charges	27,000	59,000
Printing	4,000	1,000
Other services	24,000	48,000
Supplies and materials	9,000	8,000
Equipment	22,000	0
Total costs subject to annualization	278,000	561,000

	Perm. Pos.	Work-years	Amount
3. Annualization of 361 additional positions requested in supplemental. This provides for the annualization of 361 positions requested in the 1987 program supplemental.	...	248	$14,090

	1987 Request	Annualization Required
Annual salary rate of 361 requested positions	14,095	
Less Lapse (73 percent)	-10,217	
Net compensation	3,878	9,592
Associated employee benefits	612	1,393
Travel	227	379
GSA rent	1,632	1,556
Communications, utilities and misc. charges	1,441	627
Other services	3,779	543
Total costs subject to annualization	11,569	14,090

4. Annualization of Federal Employees' Retirement System Costs. This request provides for the additional costs in 1988 necessary to continue implementation of the Federal Employees' Retirement System Act of 1986, P.L. 99-335. This act established a retirement program for federal civilian employees and postal workers hired after December 31, 1983 who are covered by social security, and for employees under the Civil Service Retirement System who choose to transfer into the new system. The calculations were determined from an OMB approved formula. Total annualization required is $301,000.	...	...	301
5. Annualization of 1987 pay increase. This request provides for the annualization of the January 4, 1987 pay increase. The calculation of the amount required for annualization is based on 261 compensable days in 1987 and 68 paid days (October 1, 1986 through January 5, 1987) were not included in the pay raise amount of $93,000. Additionally $63,000 of the 1987 pay requirement was absorbed. Total annualization required is $156,000.	...	...	156
6. Within-grade increases. This request provides for an expected increase in the cost of within-grade increases. This increase is generally consistent with increases experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $5,912,000 and benefits $684,000 = $6,596,000).	...	...	65
7. Pay for performance awards system. The Office of Personnel Management is finalizing the implementation procedures for performance management for General Schedule and Wage Board employees. This performance management system will replace achievement awards for sustained superior performance, but assumes within-grade increases will remain intact. Insufficient resources are available to fund the required performance pool from which expenses should begin accruing in April 1987. Full year funding is requested for FY 1988.	...	...	24
8. Locality based per diem. Public Law 99-234 authorized a new locality-based per diem and lifted the $75.000 ceiling in certain geographic areas. An uncontrollable increase of $49,000 is required to meet the expected 12 percent increase to total travel funds.	...	...	49

		Perm. Pos.	Work-years	Amount
9.	GSA rent In 1987 the Rent System replaces the Standard Level User Charges (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $169,000 is required to meet our commitment to GSA.	...	...	$169
10.	GSA recurring reimbursable services Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.2 percent increase of $2,000 in fees for these services in 1988 over 1987 charges of $48,000.	...	...	2
11.	Federal Telecommunication System (FTS) The General Services Administration (GSA) increased the 1986 FTS budgeted figure by approximately 16 percent to reflect unanticipated cost increases. In their development of the 1987 and 1988 estimates GSA used the increased 1986 base and included projected tariff increases and costs savings from projects underway. An increase of $100,000 over the revised 1987 base of $118,000 is requested.	...	...	100
12.	Telephone service On February 25, 1986, the District of Columbia Public Service Commission (PSC) issued its final order in the Chesapeake and Potomac telephone company (C&P) rate case. The PSC, in its order, allowed C&P to increase its rates by $31 million and set the rates for C&P's intrastate services. The PSC order effects the rates the Federal Executive Agencies will pay for basic exchange service, CENTREX services, service connections, direct inward dialing services and channel services. These changes will increase the FY 1987 cost of operating the Justice Telecommunications Service (JTS) by an estimated $522,000.	...	...	2
13.	Employee data and payroll services Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems maintenance and payroll accounting are based on the number of records maintained. The rate of $145.64 per record in FY 1986 will be raised to $155.76 per record for FY 1988. The change is based on anticipated uncontrollable cost increases of 6.9 percent for the operation of the Justice Employee Data Service. An additional increase of $9,000 has been included to improve the Human Resources Management Information System (HRMIS). This improvement will enhance the productivity of all Department components as well as the support units of accounting, budgeting and procurement. This retooling of support systems will allow the Department to operate an efficient, effective and businesslike administrative operation.	...	...	9
14.	General pricing level adjustment This request applies OMB pricing guidance as of July 1986 to selected expense categories. The increased costs identified result from applying a factor of 3.7 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1988 estimates.	...	...	99

	Perm. Pos.	Work-years	Amount
15. Administrative Salary Increase. The request provides for an expected increase in the cost of administratively determined salaries. This increase is generally consistent with increases experienced in recent years and is approximately 3.6 percent above the base for compensation and related benefits for positions with administratively determined salaries. (Personnel compensation $1,458,000 and benefits $160,000 = 1,618,000).	...	...	$58
Total, uncontrollable increases	...	258	1,164
Nonrecurring Decreases			
1. Nonrecurring costs for background investigations. For the 15 new positions authorized in 1987, it is estimated that 9 additional background investigations will be conducted on a nonrecurring basis. (9 x $1,375 = $12,375).	...	...	-12
2. Nonrecurring costs for equipment. Equipment will be purchased for new employee authorized in 1987 on a nonrecurring basis. These purchases are estimated to total $17,000.	...	...	-17
3. Reduction in Health Benefits. The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance will be 60 percent of the total rate commencing in 1985. Effective for the first pay period after January 1, 1986, the Department's actual contribution to health insurance decreased approximately $9,000 due primarily to reduced carrier rates.	...	...	-9
4. Non-recurring decreases associated with 1987 supplemental request. This provides for the automatic non-policy decreases associated with the 1987 program supplemental request.	...	...	-4,511

	1987 Request	Decreases Required
Communications, utilities and misc. charges	1,441	-554
Rental payments to others	225	-200
Other services	3,779	-510
Supplies and materials	823	-360
Equipment and furniture	3,019	-2,887
Total non-recurring decreases	9,307	-4,511

Total, decreases	...	...	-4,549
Total, adjustments to base	...	258	11,164

Legal Activities

United States Trustee System Fund

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1987 Estimate Positions & Workyears	1987 Estimate Amount	1988 Estimate Positions & Workyears	1988 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level IV, 72,300	12		22		10	
ES-5	3		3		...	
GS/GM-15, $53,830-69,976	19		32		13	
GS/GM-14, 45,763-59,488	75		96		21	
GS/GM-13, $38,727-50,346	92		142		50	
GS-12, $32,567-42,341	56		91		35	
GS-11, $27,172-32,148	40		72		32	
GS-9, $22,458-29,199	80		117		37	
GS-8, $20,333-26,435	41		79		38	
GS-7, $18,358-23,866	49		100		51	
GS-6, $16,521-21,480	30		38		8	
GS-5, $14,822-19,268	20		35		15	
Ungraded	37		66		29	
Total, appropriated positions	554	$20,480	893	$33,323	339	$12,843
Pay above stated annual rates	...	24	...	48	...	24
Lapses (-)	-278	-10,572	-186	-7,810	92	2,762
Net savings due to lower pay scales	...	-141	...	...	...	141
Net full-time permanent	276	9,791	707	25,561	431	15,770
Other than permanent:						
Part-time permanent	1	29	2	56	1	27
Temporary employment	3	207	4	238	1	31
Other personnel compensation:						
Overtime	3	122	5	180	2	58
Other compensation	...	446	...	446	0	0
Total, workyears and personnel compensation	283	10,595	718	26,481	435	15,886
Average ES Salary		$72,000		$72,000		
Average GS/GM Salary		$33,784		$33,771		
Average GS/GM Grade		10.58		10.40		

Legal Activities

United States Trustee System Fund

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1987 Estimate Positions & Workyears	1987 Estimate Amount	1988 Estimate Positions & Workyears	1988 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
11 Personnel compensation:						
11.1 Full-time permanent	276	$9,791	707	$25,561	431	$15,770
11.3 Other than full-time permanent	4	236	6	294	2	58
11.5 Other personnel compensation	3	568	5	626	2	58
11.8 Special personal services payments	...	...	...	...	...	...
Total, workyears and personnel compensation	283	10,595	718	26,481	435	15,886
12 Personnel benefits		1,296		3,813		2,517
13 Benefits to former personnel		52		63		11
21 Travel and Transportation of persons		635		1,192		557
22 Transportation of things		229		353		124
23.1 Standard level user charges		3,213		5,917		2,704
23.2 Rental payments to other		225		250		25
23.3 Communications, utilities and miscellaneous charges		2,306		3,147		841
24 Printing and reproduction		169		263		94
25 Other services		4,624		7,512		2,888
26 Supplies and materials		1,070		1,313		243
31 Equipment		3,522		3,221		-301
Total obligations	283	27,936	718	53,525	435	25,589
Relation of obligations to outlays:						
Obligated balance, start-of-year		...		1,167		
Obligated balance, end-of-year		1,167		3,843		
Outlays		26,769		50,849		

Legal Activities

United States Trustee System Fund

Consulting and Related Services
(Dollars in thousands)

	1986 Actual	1987 Estimate	1988 Estimate
Consulting Services	$11	$28	$63
Management and Professional Services	32	1,351	811
Special Studies and Analysis	1	200	35
Total	44	1,579	909

Consulting and related services are required to provide those services beyond the scope of skills available within the U.S. Trustee program.

For the three fiscal years above, consulting services involve assistance to the Director of the Executive Office for U.S. Trustees in areas beyond the expertise of the permanent staff.

Expenditures for management and professional services are made when it is more cost effective to contract for services than to hire permanent staff. These specialists have assisted the program with computer programming, specialized accounting services, graphics, training, and technical systems development. A large increase in 1987 and 1988 reflects the expansion of the automated case management system and development of a more comprehensive demonstration electronic system for use by the program, the bankruptcy courts, and the general public.

Special studies and analysis are required to be performed in connection with the development of the automated systems; for example, as a requirement for continued procurements after design and development phases are complete, a return on investment evaluation must be performed.

OPENING STATEMENT

Mr. EARLY. The Committee is pleased to welcome the Director of the Trustee System, Mr. Thomas Stanton.

Mr. Stanton, we recognize that the increase is because of the nationwide expansion. We have your statement, if you want to submit the entire statement, then and you may summarize.

[The prepared statement of Mr. Stanton follows:]

DEPARTMENT OF JUSTICE

STATEMENT OF THE DIRECTOR AND COUNSEL,
EXECUTIVE OFFICE FOR UNITED STATES TRUSTEES
THOMAS J. STANTON

BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE,
THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to appear before you today to discuss the 1988 appropriation request for the United States Trustees. The request is for 893 positions, 713 full-time equivalent workyears and $53,525,000. This is an increase of 339 positions, 172 workyears, and $14,182,000 above the 1988 base budget level.

As you know, we are in transition to a nationwide program in 1987 and 1988 pursuant to the "Bankruptcy Judges, United States Trustees and Family Farmer Bankruptcy Act of 1986." The Act placed 17 of the 18 former pilot judicial districts and 32 former non-pilot federal judicial districts under the purview of the United States Trustee program in 1987. By the end of 1988, United States Trustees will supervise the administration of bankruptcy cases filed under chapters 7, 11, 12, and 13 of the Bankruptcy Code in a total of 88 judicial districts in 21 regions. United States Trustee program oversight may be deferred until October 1, 1992, in six of the federal judicial districts. These districts may elect to join the system as early as August 1987.

The program increase of 339 positions, 172 workyears and $14,182,000 will provide the resources to appoint ten additional United States Trustees and bring 39 additional judicial districts into the nationwide program in 1988. The United States Trustee regions to be added in 1988 appear on page 9 of the budget justification materials. Each United States Trustee region reflects the judicial districts it will include.

A program supplemental to accomplish the 1987 portion of the transition to a nationwide program is also pending before the Committee. The 1987 supplemental request would add 361 positions, 102 workyears, and $16,436,000 to finance the first-year segment of the expansion. If the 1987 expansion is to succeed in meeting the August 23, 1987, deadline established by Congress in section 302(d)(1) of the Act, it is essential that resources in the supplemental request be appropriated at the earliest possible date. In the interim, existing resources are quite limited and have permitted us to begin only a very limited expansion effort.

Key areas of the request may be of special interest to members of this Committee. These include the United States Trustee System Fund, the demonstration electronic case management system and other ADP funding, and increased vigilance resulting from our audit program and staff accountants to address fraud, embezzlement and other bankruptcy related crimes.

The United States Trustee System Fund was established by the Act to provide self financing of the program. Two primary sources provide most of the revenues going into the fund: first, an increase in the fee paid when a bankruptcy case is filed; and second, a quarterly fee for chapter 11 cases under the supervision of the United States Trustee offices. This quarterly fee is charged only until a plan of confirmation is approved by the court. The quarterly fee would be payable for less time if, prior to confirmation of a reorganization plan, the case is converted to another chapter or dismissed.

The Fund started with a zero balance at the beginning of 1987. We request that Congress finance our 1987 and 1988 appropriation needs from general government revenues during the transition years. If deposits from increased bankruptcy case filing fees and quarterly chapter 11 fees are allowed to accumulate through 1988, the Fund should accrue sufficient balances to finance estimated appropriation needs for the nationwide system in 1989. For 1990 and subsequent fiscal years, annual revenues should be sufficient to finance appropriation needs.

A recent accomplishment that I am pleased to report to you today is that we have already established the needed process to collect the fees authorized by Congress to fund the program.

I would like to acknowledge the cooperation and responsiveness we received from the Administrative Office of the United States Courts (AOUSC) to establish procedures for collecting the increased case filing fees and to earmark the Fund's portion for credit to the appropriate Treasury account. Through January 31, 1987, filing fees credited to the Fund from this source were approximately $2.8 million.

United States Trustee staff in both the headquarters and the field offices worked nights and weekends to develop the means to collect the chapter 11 quarterly maintenance fees. This effort required the establishment of an entirely new collection process. When the President signed the Act on October 27, 1986, we had only two months to establish a workable method of collecting these fees. No system existed to collect user fees from bankruptcy cases. At our request and on very short deadlines, the field offices produced mailing lists of their active chapter 11 cases, which were subject to the fees. Using these lists, notices were sent to all affected debtors to inform them of the new fee, how to determine the correct fee, and when it was due to be paid. A billing system was designed and approved by the Department of Justice and the Department of the Treasury, and successfully put in place. This permitted us to collect the fees due from the quarter ending December 31, 1986. The procedures needed to implement the billing system not only considered the United States Trustees' program needs, but also integrated government-wide cash management initiatives into the billing process. Every check

received is deposited on the same day, maximizing the value of the money to the Government. Collections for the Fund from chapter 11 quarterly fees for the period from November 26, 1986 (the effective date of the fees), through December 31, 1986, now exceed $1.7 million.

During the debate on legislation to expand the program nationwide, several assumptions were made to estimate revenue potential of the chapter 11 quarterly fees. The Administrative Office of the United States Courts kept a running total of pending chapter 11 cases, but many of these cases had confirmed plans and were not subject to the quarterly fees. As a result, we could only estimate the number of pending cases that would be subject to the new fee. The law also provides a sliding fee schedule, based on ability to pay, hinged to disbursements made by chapter 11 debtors in possession. Again, only estimates were possible to determine what percentages of debtors would pay at what level. Another uncertainty was how many pending cases actually had the funds available to pay the fee. Our brief experience with revenues suggests that assumptions made to project quarterly fees were reasonable, although there were fewer total cases but more large cases subject to the fee than we had assumed. More accurate projections of revenue to be paid to the Fund are being developed as actual data accumulate. Since the pilot districts include the large urban areas of New York, Chicago and Los Angeles, it is difficult to project from our receipts so far what the national

case mix will be and what the chapter 11 receipts will be for a nationwide program.

The revenues from filing fees in all cases are determined easily from the actual numbers of cases filed. They should remain fairly constant from month to month unless there is a major change in the economy. The quarterly fees will phase in. As new judicial districts are brought into the United States Trustee system, the chapter 11 cases subject to our supervision then become subject to the quarterly fee. Therefore, quarterly fee receipts from chapter 11 cases will increase steadily over the two-year transition period. Beginning in 1989, revenues from quarterly fees should stabilize, and variance will then be the result of changes in the rate of overall chapter 11 case filings.

Section 310 of the Act requires that the program develop and operate a Demonstration Electronic Case Management System. Three judicial districts have been chosen to test the system, the Central District of California, the District of Kansas and the District of New Jersey. We are working to expedite the development and procurement phase of the project. The demonstration system will address bankruptcy case data needs of the United States Trustees, the bankruptcy judges, clerks of the court, panel trustees, debtor and creditor attorneys and the general public. The request includes $460,000 to complete the 1988 phase of the three-year test project.

The 1988 request also includes resources to install and operate our existing automated case management system in new United States Trustee regions as they are added during the year. This system can be viewed as a small subset of the demonstration electronic case management system noted above, in that its main purpose is to serve only the United States Trustee office by tracking and monitoring pending bankruptcy cases under the office's direct supervision.

The automated case management system consists of a minicomputer in each United States Trustee regional office. Local and remote terminals provide the work stations for employees in the regional office or in sub-offices located in other cities in the region. The system handles a variety of office automation tasks, including case tracking and reporting, mail and litigation control, trustee appointments, calendaring, financial analysis and text processing. Development of this system began in 1983 and was completed in 1985.

The control and operation of individual systems have been decentralized, while the Executive Office staff perform centralized support, training, software maintenance and development, quality assurance and programming functions. A total of $3,230,000 is requested to continue the non-personnel costs of installing the automated case management system in United States Trustee regions as they are added during 1988. This system has been found to be very cost effective and has permitted a lower

request for personnel resources. As you know, bankruptcy is paper intensive, and automation has gone a long way to reduce the staff time necessary to control the great paper flow that burdens each office.

In establishing the nationwide system, one area of concern has been how to handle bankruptcy related crimes. Given human nature, those entrusted with estate funds live each day with temptation. We take very seriously our job to reduce the temptation by screening the applicants for appointment to these positions of trust. For example, under the expansion, standing trustees will be subject to FBI background investigations and credit reports prior to appointment. When crimes do occur in the bankruptcy cases we supervise, we want to know that they will be detected and prosecuted to the fullest extent. Two areas of program activity should be mentioned, the audit program and how we use our professional staff.

The audit program continues to produce results for the program. The request before you proposes to expand the successful efforts of our outside auditors and the Justice Management Division's Audit Staff. These audits are a critical aspect of our program, and the cost to do true audits of the financial records of panel trustees, standing trustees, and debtors in possession should be reflected in our appropriation. Through the audit activities to date, one standing trustee was discovered embezzling funds, and a chapter 7 panel trustee was also caught in an

embezzlement scheme. In each of these cases, indictments and convictions were obtained. Accountants on our staff did complete reconstructions of the trustees' records. This involved extensive review of microfilm bank transaction records and court case files. As a result of our close cooperation with the FBI and the United States Attorneys in North Dakota and New Jersey, each trustee received a prison sentence for his crimes.

We propose to bolster the role of the program's bankruptcy accountants who hold the job title of bankruptcy analysts. We need added strength in this area to monitor cases for criminal activity and to provide support to assist the United States Attorneys in preparing these cases for trial. The financial schedules required to be filed with United States Trustee field offices can often suggest patterns of criminal behavior. Our accountants must have the expertise and skill to detect cases which need to be pursued by the appropriate law enforcement authorities. They will be working closely with the United States Attorneys and the FBI on criminal referrals and the reconstruction of books and records needed to develop cases for the grand jury and to prepare them for successful prosecution.

This concludes my prepared statement, Mr. Chairman. I will be pleased to answer any questions you or any member of the Subcommittee may have.

STATEMENT SUMMARY

Mr. STANTON. Yes, Mr. Chairman. I am pleased to be here.

Mr. Chairman and Members of the Subcommittee: I am pleased to have the opportunity to appear before you today to discuss the 1988 appropriation request for the United States Trustees. The request is for 893 positions, 713 full-time equivalent workyears and $53,525,000. This is an increase of 339 positions, 172 workyears, and $14,182,000 above the 1988 base budget level.

As you know, during 1987 and 1988, we are in transition to a nationwide program. And, as you mentioned, this is the result of enactment of the Bankruptcy Judges, United States Trustees and Family Farmer Bankruptcy Act of 1986.

The Act placed 17 of the 18 former pilot judicial districts and 32 former non-pilot judicial districts under our jurisdiction in 1987.

In 1988, we will assume responsibility for all of the other districts except for six, three in North Carolina and three in Alabama, which were excluded from the System from the period of the enactment until 1992. These areas have the right to come into the System sooner.

Under the request, we would have the resources to appoint 10 additional United States Trustees, which would bring us from 11 to 21. And we would have a total during the year of 39 additional judicial districts into which we will expand.

And, as you know, our 1987 request for the supplemental was approved on Tuesday during the mark-up.

I think a matter that may be of special interest to the Subcommittee is the United States Trustee System Fund, which was established by the Act to provide self funding for the program.

We have requested that Congress finance our 1987 and 1988 appropriations from general government revenues. In 1987, we began with a zero balance, and during that year and in 1988, providing we are allowed to accumulate money, we should be able to fully fund the program starting in 1989.

We have already established the needed process to collect the filing fees, which we do with the cooperation of the U.S. courts. The Administrative Office of the U.S. Courts has been very cooperative and responsive in establishing new procedures for the court clerks to earmark our portion of the filing fees collected for the Fund. Through January 31, we have now accumulated $2.8 million for the Fund.

There was no system to collect the chapter 11 maintenance fees. Those are the fees that are charged on chapter 11 cases as long as they stay in the system and prior to any confirmed plan of reorganization. We really worked nights and weekends to develop the collection system so that we could put it into place in time to collect the first quarterly fees that were due in January 1987. And for that quarter—it is a shortened quarter—only from November 26th until the end of the year, we have collected more than $1.7 million.

So the Fund, to start with, has everything in place. It is functioning well. We have worked with the cash management people at the Treasury Department. None of our receipts spend any time not on deposit. We have a lock box in a bank that the U.S. Attorneys have

been using. All of these deposits go to that bank and are immediately transferred to the Treasury on the same day as received.

Mr. Chairman, that concludes my oral statement. I will be happy to answer any questions.

PROGRAM EXPANSION

Mr. EARLY. Mr. Stanton, the appropriated funds are requested for this program only until the expansion is completed, at which time filing fees collected are expected to offset the entire program; is that correct?

Mr. STANTON. Yes, Mr. Chairman.

Mr. EARLY. And when do you expect the program expansion will be completed?

Mr. STANTON. The expansion will be completed by 1989, except for those six districts. Those districts can come in as late as 1992.

FUTURE APPROPRIATIONS

Mr. EARLY. Do you have any estimate of the appropriated funds required until completion date?

Mr. STANTON. Well, they would be the amount of the supplemental that was approved on Tuesday and the 1988 request before the Congress.

Mr. EARLY. Do you think this will be the last appropriation?

Mr. STANTON. I think this will be the last appropriation.

Mr. EARLY. I would like to think that.

During the expansion, once an office has been opened and in full operation, is it funded through filing fees or appropriated funds?

Mr. STANTON. Once they are opened, during 1988 they would be paid by appropriated funds. In 1989, they would be paid out of the filing fees and maintenance fees, no appropriation.

COLLECTION PROCEEDS

Mr. EARLY. The collected fees will be going into that?

Mr. STANTON. Yes. Our projections so far have been very accurate. I think the money we are collecting is exactly what we projected.

Mr. EARLY. How much do you anticipate collecting in filing fees in Fiscal Year 1987?

Mr. STANTON. In Fiscal Year 1987, our projection for 1987 was relatively low, I think about $16 million. That is because we only take responsibility for the cases as they phase in.

Mr. EARLY. Didn't you just tell us you have already collected $5 million?

Mr. STANTON. Yes. That is why I think we are in better shape than we thought.

Mr. EARLY. So you anticipate a lot more than $16 million?

Mr. STANTON. I am not sure of a lot more, but more than sixteen. The problem is initially——

Mr. EARLY. Do not be so conservative. Provide for the record what you think the collections might be.

Mr. STANTON. I think they will exceed $18 million.

POSITION INCREASE

Mr. EARLY. On page 8 of your justifications, you state that chapter 11 business reorganization cases are the most complex and time-consuming cases in the Trustee Program. Why do you require a 68 percent increase in positions when the workload associated with your most difficult cases grows by less than 10 percent?

Mr. STANTON. Because we have never had a program increase since the program started in 1979.

Mr. EARLY. Why don't you expand on that for the record.

Mr. STANTON. Because this was a pilot program, you will remember the Department was, to some extent, in the process of phasing the program out in the early years. We never received an increase until last year, and that was a very small one, 12 positions. It was the only increase of positions since, I think, 1981.

Mr. EARLY. I want you for the record to identify the number of positions associated with each type of case administered by the Trustee Program for Fiscal Year 1987 and 1988.

[The informaiton is inserted in the record following the testimony:]

Mr. EARLY. One final question: Mr. Stanton, your programs are going to be as good as your personnel. With the different costs of living we have around the country, I think you probably can recruit in Arizona and Massachusetts; but how are you going to recruit in L.A.? Have you had difficulty?

Mr. STANTON. We have had chronic difficulty recruiting in Los Angeles. To some extent, we were very lucky recently, we got a senior attorney who is independently wealthy. He has tired of the practice of law and he has agreed to come with the Program. Literally, they pay lawyers so much out there at any kind of senior level, that they are very difficult to retain. The longest any lawyer has been with the program is 18 months. And we have had a very difficult time selecting a U.S. Trustee for that office.

Mr. EARLY. That is going to be one of your problems; your program is only going to be as good as the your people.

I am going to yield to Mr. Rogers.

Mr. ROGERS. Mr. Chairman, I have no further questions. I will yield to Mr. Kolbe.

SYSTEM FOR COLLECTION

Mr. KOLBE. Mr. Chairman, just very quickly. You referred to the fact you collected, through January, $2.8 million, but you said no system exists to collect chapter 11 maintenance fees. What do you mean by saying there is no system, when you refer to a system being put in place?

Mr. STANTON. There are two kinds of cases in cases, one was an increase in the filing fees in a bankruptcy case. And the clerks already had a system of paying money into the Treasury.

All we had to do was establish a new account with the Treasury and get the clerks, when they make the allocation monthly, to allocate that money to our account. There is no additional expense with collecting that.

The other half of the money that comes in chapter 11 maintenance fees is not collected by the Clerk, it is collected by us. The

Department has a criminal fine collection system which, to some extent, is administratively similar. But other than that, there was not any infrastructure at all to collect that money. And we had to develop a contract and a contractor to do the data processing, the bank reconciliations. We had to get a bank to take the money and make arrangements with the Treasury—in fact, Treasury designated this particular bank to use at least for the initial stage, because we had to have the account almost immediately, because the money would come into it two and a half months after the effective date of the legislation.

Mr. KOLBE. How do you determine those maintenance fees?

Mr. STANTON. They are on a sliding scale set in the legislation. In most chapter 11 cases they are $50.00 per month, and in the largest cases they are $1,000 per month. That is the spread.

Mr. KOLBE. They are automatically collected by the trustees?

Mr. STANTON. They are collected quarterly. They are done really like a withholding tax. We will generate a statement to them without the amount, and they will fill in the amount, based on their disbursements.

Mr. KOLBE. And that amount is transferred from their account to your account?

Mr. STANTON. It is like you mail in your taxes to IRS, it is mailed directly to the lock box bank, at a mail stop number which goes to that bank.

Mr. KOLBE. When this system is in place and fully operational, do you see it having a significant impact on better administration of our bankruptcy laws? I guess what I am driving at is I am hearing from people that the explosion of bankruptcy in the United States is threatening our whole economic system.

Mr. STANTON. That is exactly why the system is needed. Bankruptcy is an essential function, but it has to be monitored closely. Right now, in both the criminal side and the civil side, there is just too much abuse. And the whole idea of this program is to put a watchdog on to make sure it is functioning properly. The judges do not have the time. The judges are really under an avalanche themselves.

Mr. KOLBE. The Trustee System itself is actually going to monitor through reporting mechanisms to Congress?

Mr. STANTON. Well, reporting mechanisms based with the Department of Justice. We have an oversight hearing next week on the annual authorization.

Mr. KOLBE. The Trustee System itself is actually going to be monitored through reporting mechanisms to Congress?

Mr. STANTON. No, we bring any kind of abusive action to the court's attention. We file a motion to either convert their petition to chapter 7 or dismiss it. Sometimes we will also take action to protect the money.

Last year, we developed a criminal system with the Criminal Division of the FBI. I think we have really made a difference in the districts where we are operating.

Mr. KOLBE. Thank you, Mr. Chairman.

72-165 O—87——31

QUALIFICATION FOR TRUSTEES POSITIONS

Mr. EARLY. Mr. Stanton, you say your expansion will be 21 trustees?

Mr. STANTON. Twenty-one.

Mr. KOLBE. Twenty-one lawyers.

Mr. STANTON. The U.S. Trustees will all be lawyers.

Mr. KOLBE. Why would not a competent accountant with a CPA be eligible for this type of position?

Mr. STANTON. I think statutorily they would be. The statute does not make a requirement that they be attorneys. I think the feeling at the Department of Justice has been that it is very difficult for a non-attorney to supervise some of the litigation that we have to do, and to provide real legal leadership in the office.

Mr. EARLY. Is not the trustee more of an administrator?

Mr. STANTON. I do not think that is the way it has developed. It is not a paper-moving process as much as it is litigative and a proactive attorney function.

We need the financial analysis to give us the tools through which we go to court and try to shut the debtor down and so forth.

Mr. EARLY. I think a competent CPA might argue differently and say that you need the data and we need the numbers. Then we get the lawyers to do what they are going to do. Lawyers do nothing but delay everything. Your agency is supposed to reduce and minimize. You say you are going to get confirmation and bring it down to the Justice Department, another group of attorneys. I would think, for example, that in L.A. where you cannot recruit lawyers because of the cost of living there that we could try CPA's?

Mr. KOLBE. Mr. Chairman, this is proof of bi-partisanship.

In all sincerity, has this developed in a way not anticipated?

Mr. STANTON. No, only that originally all of the trustees that were selected were attorneys. There has never been a U.S. Trustee in our program who was not an attorney.

SKILL REQUIREMENTS IN U.S. TRUSTEE OFFICES

Mr. KOLBE. It seems to me the success of the thing is administration, not litigation.

Mr. STANTON. Well, a lot of our offices ended up with a lot of complex litigation. There was a case in Chicago about four or five months ago that took almost a month and a half to try. These were a number of complex issues they had to deal with, and decisions had to be made how to handle them.

From the other side, I can understand what Mr. Early is saying. In fact, we are at least going to experiment in our office in Albany where the Assistant U.S. Trustee in that office will not be an attorney. That is the first time we have done that. We will see how that goes.

We have had Assistant U.S. Trustees who were not attorneys, but they have always been on the administrative side. Two assistants in an office, one legal and one administrative. We have done that, but we have never had a U.S. Trustee who was not an attorney.

Mr. KOLBE. We do understand there is a litigation side and an administration side. The Chairman and I are simply suggesting you

do not need lawyers to fulfill all of these functions, and it might be worth experimenting where somebody at the top is a lawyer and CPA, that kind of management.

Mr. STANTON. Sir, we are lucky. We have two U.S. Trustees who are lawyers and also CPA's.

Mr. KOLBE. Thank you, Mr. Chairman.

Mr. EARLY. Mr. Stanton, having been one who has championed and supported this program from the start, I would like to commend you. And now you are going a head with this nationwide expansion and a revolving fund in which bankruptcy pays for itself. People get service, not only rich people, but poor people too, and I think you are going in the right direction. I certainly hope, however, that you look at other than attorneys for administration and for the key roles.

My final question, Mr. Stanton, is what will happen when you are self-sufficient. When you have collected more fees than your appropriation, will you still come back here for funding?

Mr. STANTON. The law is such that you will be looking at us yearly, as you do now.

Mr. EARLY. Mr. Kolbe and I will be extremely interested in that.

We will recess until Monday afternoon at 2:00 o'clock.

[Questions and answers for the record follow:]

QUESTIONS FROM MR. EARLY

U.S. TRUSTEE SYSTEM FUND

Collection of Filing Fees

Question:

Are you offsetting any of the trustee program costs with filing fee collections in 1988? If so, how much? If not, why not?

Answer:

We are requesting that none of the filing fee collections be used to offset appropriations for the United States Trustees during 1987 and 1988, the two transition years to nationwide expansion of the program. During transition, receipts from chapter 11 quarterly fees will grow as additional chapter 11 cases in new districts become subject to the fees.

If Congress approves our request, we anticipate that deposits to the United States Trustee System Fund from filing fee collections and quarterly maintenance charges will accumulate adequate deposits so that, beginning in 1989, the Congress can appropriate from the Fund all monies needed to operate the nationwide United States Trustee system.

Workload

Question:

Please identify the number of positions associated with each type of case administered by the 1987 and 1988 Trustee Program.

Answer:

The Program does use time spent on the different types of cases supervised or administered in estimating resource needs. One can extrapolate the approximate level of staff effort by case type from what is known about how the employees use their time.

The chapter 11 caseload continues to be the most complex and time consuming from a resource allocation perspective. The review of financial schedules filed by the debtor in possession, appointment and organization of creditors' committees, monitoring of fees paid to professionals, and appearing in court on matters involving chapter 11 cases are some examples of this activity. We estimate that about 60 percent of field office staff time is devoted to chapter 11 case related matters.

The chapter 7 caseload involves a much higher number of case filings, but less staff time is devoted to individual cases. Rather, the appointed members of the panel of chapter 7 trustees do the actual work involved in administering the cases. The role of the United

States Trustee in chapter 7 cases is primarily a supervisory one. An estimated 22 percent of the staff time is devoted to chapter 7 matters.

Chapter 13 cases are also filed in higher numbers than chapter 11, and the standing trustee actually administers the collection of payments under plans, disbursements to creditors and other individual case related activities. The primary role of the United States Trustee is to recruit qualified individuals, maintain the integrity of the process through regular audits, and set the compensation and expense levels of the standing trustees. An estimated 3 percent of the field office staff time is devoted to chapter 13 matters.

Chapter 12 cases are being administered by standing trustees similar to the chapter 13 standing trustees already supervised by the program. The time associated with supervision of the chapter 12 standing trustees is based on the program's experience with chapter 13 (about three percent), although actual experience may differ from the estimate.

Field office administration accounts for the balance of the time spent by field office personnel. These activities would involve staff meetings and coordination of assignments, processing personnel actions, ordering furniture, reporting statistics, maintaining office supplies and machines, handling travel arrangements and reimbursements, preparing time and attendance records, leave, and training. These activities are estimated to consume the balance of the time of field office personnel, or about 12 percent of available time.

The table below shows the time equivalent of positions in the request associated with each case type.

Positions Associated with Case Types
or Administrative Activities

United States Trustee Field Offices

Case type or activity:	1987 Supplemental Request	1988 Appropriation Request
Chapter 11.....	300	503
Chapter 7.....	110	185
Chapter 13.....	15	25
Chapter 12.....	15	25
Administrative activities.....	60	101
TOTAL POSITIONS.....	500	839

Note: Position levels include total resources contained in the base budget and those in the respective requests.

MONDAY, MARCH 16, 1987.

DRUG ENFORCEMENT ADMINISTRATION

WITNESSES

JOHN C. LAWN, ADMINISTRATOR
DONALD P. QUINN, ASSISTANT ADMINISTRATOR FOR OPERATIONAL SUPPORT
DAVID L. WESTRATE, ASSISTANT ADMINISTRATOR FOR OPERATIONS
PHILIP V. CAMERO, DEPUTY ASSISTANT ADMINISTRATOR, INFORMATION SYSTEMS
GENE R. HAISLIP, DEPUTY ASSISTANT ADMINISTRATOR, DIVERSION CONTROL
JAMES J. HOGAN, CONTROLLER
JAMES K. WILLIAMS, BUDGET OFFICER
ROBERT N. FORD, COMPTROLLER
MICHAEL J. ROPER, DEPUTY COMPTROLLER FOR BUDGET

Mr. DWYER [presiding]. Continuing with our review of the Department of Justice, we will now hear testimony from the Drug Enforcement Administration. The DEA requests $522,047,000 in fiscal year 1988, an increase of six percent over fiscal year 1987 amounts. We will insert in the record at this point the DEA fiscal year 1988 budget justifications.

[The justifications follow:]

Department of Justice

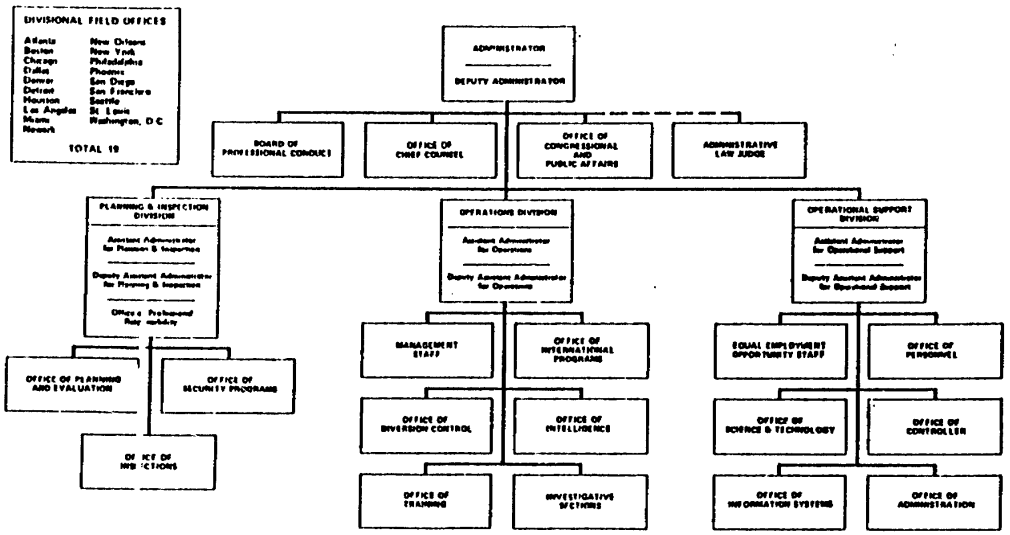
Drug Enforcement Administration

Estimates for Fiscal Year 1988

Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes to the Appropriation Language	4
Crosswalk of 1987 Changes	6
Summary of Requirements	8
Summary of Resources by Program	9
Justification of Program and Performance	11
Financial Analysis - Program Increases	85
Status of Congressionally Requested Studies, Reports, and Evaluations	86
Priority Rankings	87
Detail of Permanent Positions by Category	88
Summary of Adjustments to Base	89
Justification of Adjustments to Base	91
Summary of Requirements by Grade and Object Class	97
Status of Construction and Summary of New Facilities Requirements	99

U.S. Department of Justice
Drug Enforcement Administration



Drug Enforcement Administration

Salaries and expenses

Summary Statement

Fiscal Year 1988

The Drug Enforcement Administration (DEA) is requesting 5,730 positions, of which 2,891 are special agents, 5,568 FTE workyears, and $522,047,000 in order to carry out its responsibilities in 1988. This represents a net increase of 50 positions, 419 FTE workyears, and $31,854,000 above the anticipated 1987 appropriation of 5,680 positions, 5,149 FTE workyears, and $490,193,000. Included in the proposed net increase are program increases of 108 positions, including 36 special agents, 82 FTE workyears, and $24,552,000; base reductions for management and productivity savings of 58 positions, 58 FTE workyears, and $911,000; and net other adjustments to base of 395 FTE workyears and $8,213,000.

In 1986, DEA reported a dramatic increase in the agency's arrests and seizures. Arrests of violators in major cases jumped 35.8 percent between 1985 and 1986, from 9,441 to 12,819. In all, 18,746 drug-related arrests were made during the year. Convictions in major cases during this same period increased 22.1 percent, from 6,221 to 7,595. Assets seized by DEA during 1986 totaled $378,814,291, an increase of 53.8 percent over 1985, when assets valued at $246,344,308 were seized. Drugs removed in the United States by DEA increased an average of 30 percent during the fiscal year. Cocaine seized increased by 52.6 percent, marijuana and hashish removed jumped 11.4 percent, dangerous drugs which include stimulants, depressants and hallucinogens, were marked by a 76 percent rise. The seizure of clandestine laboratories producing illicit drugs also went up during the 1986 fiscal year. While 329 laboratories were put out of operation in 1985, 442 were seized in 1986, an increase of 34.3 percent. International cooperation has never been stronger, and the major drug-producing nations are taking serious measures to control drug-crop production. Nonetheless, drug trafficking remains the nation's number one criminal problem.

During the past year, drug trafficking and drug abuse have emerged as a pre-eminent national policy and health concern. In response to this crisis, the President approved two policy initiatives as part of a comprehensive and systematic effort to create a "drug-free society". On April 8, 1986, National Security Decision Directive Number 222 was signed identifying drug trafficking as a threat to U.S. national security, thereby bringing the nation's national security apparatus into the fight against drug trafficking. On August 4, 1986, the President announced a 6-point program against drug abuse. Included in this announcement was a new initiative intended to reduce the demand for drugs and a renewed call to strengthen existing law enforcement efforts. Finally, passage of the Omnibus Drug Supplemental Appropriation Act of 1987 significantly strengthened the overall DEA enforcement capability, and reaffirmed the commitment of the President and Congress to rid our society of the catastrophic effects of drug trafficking and abuse.

The 1988 request is based not on optimal requirements, but on a practical approach of seeking a reasonable level of resources for high priority security and investigative needs, plus other investments which will enhance the productivity and effectiveness of existing resources. DEA has a strategic planning process which provides the agency with comprehensive and long-range plans that serve as the foundation for annual budget requests, systematically identifying and prioritizing not only investigative requirements but technological and management resources necessary to continue the successful fight against drug trafficking and abuse. The 1988 request is based on policy initiatives that were developed in the DEA 1988 strategic plan.

Following is a summary of the 1988 initiatives:

Continue Enhancement of Drug Enforcement ADP and Telecommunications Systems

This initiative continues the strengthening and modernizing of ADP and telecommunications systems. These increases will provide the support systems needed to maximize and protect DEA's efforts to combat drug trafficking. A total of 15 positions, 11 FTE workyears, and $12,417,000 is requested for the ADP and Telecommunications program to provide necessary resources for the second phase in securing, through TEMPEST-rated capability, the remaining segments of the Office Automation System, and to provide necessary ADP staff support to the DEA information environment. An additional 26 positions, 20 FTE workyears and $4,450,000 is also requested for the Domestic Enforcement program to provide increased DEA and contracted ADP technical staff support for field and headquarters data entry requirements.

Immobilize Targetted Major Drug Traffickers and Their Trafficking Organizations

The thrust in 1988 is to again focus new resources on areas where the increased investment will provide a maximum return through disruption of drug trafficking organizations. Increases requested include 30 positions (20 agents), 22 FTE workyears and $2,759,000 for asset removal teams in selected domestic divisions. DEA seized over $246,000,000 in trafficker assets in 1985 and $379,000,000 in 1986. These resources will contribute to the immobilization of drug trafficking organizations by exploiting DEA's authority to seize trafficker assets. A pilot program has shown that systematic methods for identifying, seizing, and processing traffickers' assets will produce substantial results.

Enhance Drug Enforcement Management and Administrative Services Capabilities

DEA's investigative goals and objectives cannot be achieved unless management and administrative support systems and services are strengthened and modernized. Further, adequate support services will increase the overall productivity of the agency. The increases in this area are those which are considered essential in 1988 in order to meet mandated responsibilities. DEA requests 9 positions (6 agents), 7 FTE workyears, and $930,000 to provide for improved security of staff and facilities, ensure staff integrity, and provide physical fitness services.

Meet Base Technical Operations Support and Equipment Requirements for Drug Enforcement

This request provides for an increase of 28 positions (10 agents), 22 FTE workyears, and $3,996,000, including $2,000,000 for technical equipment, to provide effective support for DEA investigations. This initiative provides a cadre of special agents specially trained in the covert installation and adaptation of technical equipment, and a cadre of highly skilled technicians to perform installations and repair of technical investigative and radio communication equipment. The demand for skilled technical assistance and technical equipment far exceeds availability. Equipment such as dialed number recorders (pen registers), video surveillance cameras and recording equipment, satellite tracking devices, direction finding devices, and Title III devices are in constant use, greatly enhancing investigative and intelligence gathering capabilities while providing a greater margin of safety for agents.

Drug Enforcement Administration

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1988 budget estimates include the proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter enclosed in brackets.

Salaries and expenses

For necessary expenses of the Drug Enforcement Administration, including not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; purchase of not to exceed [five hundred seventy-five] five hundred twenty-five passenger motor vehicles of which four hundred eighty-nine are for replacement only for police-type use without regard to the general purchase price limitation for the current fiscal year; and acquisition, lease, maintenance, and operation of aircraft; [$412,000,000] $522,047,000, of which not to exceed $1,200,000 for research shall remain available until expended, [and] not to exceed $7,000,000 for purchase of evidence and payments for information, shall remain available until September 30, [1988] 1989: [Provided, That $180,000 shall only be available for the establishment and operation of an office in Hilo, Hawaii: Provided further, That notwithstanding section 1345 of title 31, United States Code, funds made available to the Drug Enforcement Administration in any fiscal year may be used for travel, transportation, and subsistence expenses of State, county, and local law enforcement officers attending conferences, meetings, and training courses at the FBI Academy, Quantico, Virginia]. not to exceed $4,000,000 for contracting for ADP and telecommunications equipment and not to exceed $2,000,000 for technical equipment

[For an additional amount for "Salaries and expenses", $60,000,000. (Omnibus Drug Supplemental Appropriations Act of 1987, as included in Public Laws 99-500 and 99-591, Title II.)]

[Construction]

[For necessary expenses of the Drug Enforcement Administration for planning, construction, renovation, maintenance, remodeling, and repair of buildings and the purchase of equipment incident thereto for an all source intelligence center, $7,500,000 to remain available until expended: Provided, That such funds shall be available for obligation upon submission by the Attorney General to the Committees on Appropriations no later than July 1, 1987, of a reprogramming request in accordance with section 607 of this Act which sets forth specific details for the use of such funds. (Department of Justice Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(b).)]

(Reorganization Plan No. 2 of 1973; Reorganization Plan No. 1 of 1968; 21 U.S.C. 801-966 as amended; 40 U.S.C. 304; Department of Justice Appropriation Act, 1987; as included in Public Laws 99-500 and 99-591, section 101(b); additional authorizing legislation to be proposed).

Explanation of changes

1. In addition to the ongoing replacement program (489 vehicles), the budget request provides for 36 passenger motor vehicles for new agent positions in the 1989 request.

2. The second change provides for added ease in fiscal planning and flexibility when contracting with the private sector for ADP and telecommunications and technical investigative equipment. Based on current experience and practices, the procurement process for these types of equipment requires a long lead-time that can extend beyond the immediate fiscal year. Without a one-year authority and appropriation, such contracting activities may have to be terminated at the end of one fiscal year and started again against funding authority of a subsequent year. A portion of funding for purchase of evidence and payments for information (PE/PI), for contracting for ADP and telecommunications equipment, and for technical investigative equipment is to be available for a two-year period, until September 30, 1989.

3. An office in Hilo, Hawaii will be established in 1987. Accordingly, repetition of this language is not necessary for 1988.

4. The Department of Justice has determined that the authority for payment of travel, transportation and subsistence expenses of State, county, and local law enforcement officers attending conferences, meetings and training courses at the FBI Academy, Quantico, Virginia, is more properly placed in the Department's authorization.

5. The supplemental appropriation of $60,000,000 was applicable to 1987 only.

6. The authority for no-year funding made available in the 1987 Continuing Resolution (P.L. 99-500) for the purpose of planning, construction, renovation, maintenance, remodeling, and repair of buildings and the purchase of equipment incident thereto for an intelligence center is not required to be perpetuated.

Drug Enforcement Administration

Salaries and expenses

Crosswalk of 1987 Changes

(Dollars in thousands)

Budget Activity	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			Reprogramming			1987 Supplementals Requested		1987 Appropriation Anticipated		
										Program	Pay & FERS			
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Amt.	Amt.	Pos.	WY	Amt.
1. Enforcement														
A. Domestic enforcement	1,632	1,567	$122,691	210	110	$7,396	178	89	$15,000	...	$3,191	2,020	1,766	$148,366
B. OCDE	762	749	57,327	...	...	...	...	...	...	...	1,226	762	749	58,553
C. Foreign cooperative investigations	425	370	44,027	65	32	8,335	(3)	(4)	(174)	...	923	491	426	54,511
D. Diversion control	496	478	25,396	241	121	20,671	(157)	(79)	(16,764)	...	996	580	520	30,299
E. State and local task forces	242	137	21,033	96	47	10,612	(37)	(19)	(1,470)	...	433	259	225	30,632
Subtotal	3,517	3,349	271,274	618	310	47,644	(25)	(13)	(3,326)	...	6,769	4,110	3,686	322,361
2. Investigative support														
A. Intelligence	362	341	20,542	...	...	7,500	...	...	...	...	765	362	341	28,807
B. DEA laboratory services	190	183	10,765	...	...	(61)	25	13	1,632	...	404	223	202	12,740
C. Training	42	40	4,701	...	...	...	...	...	...	...	145	42	40	4,846
D. ADP and technical operations	242	228	35,487	11	5	13,900	...	...	1,782	...	534	253	233	50,903
E. ADP & telecommunications	131	118	36,307	...	...	...	...	...	...	8776	246	131	118	37,929
F. Records management	88	83	3,707	...	...	...	...	...	...	...	159	88	83	3,866
Subtotal	1,063	999	112,103	11	5	20,439	25	13	3,414	776	2,253	1,099	1,017	138,991
3. State & local assistance														
A. State&local training	30	29	2,539	...	...	80	...	...	(80)	...	101	30	29	2,690
B. State & local laboratory	25	25	1,545	...	...	...	...	...	...	...	98	25	25	1,643
Subtotal	55	54	4,131	...	...	80	...	...	(80)	...	199	55	54	4,293
4. Program direction														
A. Executive direction and control	264	249	15,007	...	...	...	...	...	...	...	433	264	249	15,440
B. Administrative services	152	143	8,905	...	...	...	...	...	...	...	303	152	143	9,108
Subtotal	416	392	24,012	...	...	...	...	...	...	...	736	416	392	24,548
Total	5,051	4,834	411,329	629	315	68,171	...	...	...	776	9,917	5,680	5,149	490,193

Drug Enforcement Administration

Salaries and Expenses

Crosswalk of 1987 Changes

Explanation of Changes

Congressional Appropriation Actions

This column is based on the data in Senate Report 99-425 and House Report 99-769, both to accompany H.R. 5161; and the Conference Report for P.L. 99-500 for the 1987 Omnibus Supplemental appropriations including funding for the construction of an intelligence center, restoration of funding for cooperative diversion programs, and reallocation of nondiscretionary increases to State and local task forces and State and local training programs

Reprogramming

This reprogramming reflects at this time the current plan for utilization of the 1987 Supplemental resources.

Supplemental Requested

1. Payroll supplemental request of $3,912,000, provides $2,532,000 to meet the increased pay requirements pursuant to P.L.99-500 and $1,324,000 for increased costs associated with the Federal Employees Retirement System (FERS).
2. Program supplemental request provides $776,000 for increased Federal telecommunications system rate changes.

Drug Enforcement Administration

Salaries and expenses

Summary of Requirements

(Dollars in thousands)

Adjustments to Base	Perm. Pos.	Work-years	Amount
Department of Justice Appropriation Act 1987	5,051	4,830	412,000
Transfers from Supplemental Appropriation Act of 1987	629	315	67,500
1987 as enacted	5,680	5,149	$479,500
Supplementals requested:			
1987 pay and retirement supplementals	...	...	9,917
1987 program supplemental	...	...	776
1987 appropriation anticipated	5,680	5,149	490,193
Savings resulting from management initiatives	(58)	(58)	(913)
Uncontrollable increases	...	395	40,754
Decreases (automatic non policy)	...	...	(40,941)
1988 base	5,622	5,486	497,495

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Enforcement	4,110	3,686	$322,301	4,099	4,027	$343,862	4,155	4,069	$358,271	56	42	$7,209
2. Investigative support	1,099	1,017	133,991	1,063	1,029	122,966	1,111	1,062	139,279	43	33	16,413
3. State and local assistance	55	54	4,293	55	54	4,798	55	54	4,798	...	...	...
4. Program direction	416	392	29,548	400	376	26,769	409	383	27,699	9	7	930
Total	5,680	5,149	490,193	5,622	5,486	497,495	5,730	5,568	522,047	108	82	24,552
	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total
FTE Employment:												
Full-time Permanent	5,680	30	5,710	5,622	30	5,652	5,730	30	5,760	108	...	108
Other	55	...	55	55	...	55	55	...	55	...	...	...
Total	5,735	30	5,765	5,677	30	5,707	5,785	30	5,815	108	...	108

Drug Enforcement Administration

Salaries and expenses

Summary of Resources by Program

(Dollars in thousands)

Estimates by Decision Unit	1985 as Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/ Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Enforcement:																		
Domestic enforcement	1,406	1,401	$99,836	1,406	1,472	$108,086	2,028	1,766	$148,366	2,017	2,008	$157,212	2,073	2,050	$164,421	56	42	$7,209
OCDE	771	747	51,274	771	750	51,568	762	749	56,553	762	749	62,865	762	749	62,865	...	...	...
Foreign cooperative investigations	455	438	41,496	455	389	38,958	481	426	54,511	481	454	58,565	481	454	58,565	...	...	...
Diversion control	507	466	21,744	507	409	22,219	500	520	30,299	500	562	33,271	500	562	33,271	...	...	...
State and local task forces	222	215	21,306	222	212	20,653	259	225	30,632	259	254	31,149	259	254	31,149	...	...	...
Subtotal	3,361	3,267	235,648	3,361	3,232	232,869	4,110	3,686	322,361	4,099	4,027	343,062	4,155	4,069	350,271	56	42	7,209
2. Investigative Support:																		
Intelligence	352	335	18,362	352	326	19,638	362	341	28,807	362	352	24,129	362	352	24,129	...	...	...
DEA laboratory services	193	184	9,856	193	176	10,651	223	202	12,740	223	218	12,089	223	218	12,089	...	...	...
Training	52	50	7,371	52	54	7,235	42	48	4,846	39	37	5,277	39	37	5,277	...	...	...
Research, engineering and technical operations	241	231	31,141	241	226	34,369	253	233	50,083	253	243	37,037	291	265	41,093	20	22	3,996
ADP and telecommunications	122	116	29,845	122	119	32,283	131	115	37,929	106	99	39,191	121	110	51,608	15	11	12,417
Records management	83	79	3,356	83	74	3,346	88	83	3,866	65	80	4,363	85	80	4,363	...	...	...
Subtotal	1,043	995	99,231	1,043	975	108,128	1,099	1,017	138,271	1,068	1,029	122,866	1,111	1,062	139,279	43	33	16,413
3. State and Local Assistance:																		
State and local training	30	29	2,914	30	30	2,276	30	29	2,630	30	29	2,998	30	29	2,998	...	...	...
State and local laboratory services	25	23	1,494	25	26	1,643	25	25	1,683	25	25	1,800	25	25	1,800	...	...	...
Subtotal	55	52	4,408	55	56	3,920	55	54	4,313	55	54	4,798	55	54	4,798	...	...	...

[illegible] Enforcement Administration

[illegible] salaries and expenses

[illegible] Summary of Resources by Program

[illegible] (Dollars in Thousands)

Estimates by Decision Unit	1986 as Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/ Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
4.Program Direction																		
Executive Direction and Control	[illegible]	[illegible]	14,312	275	276	17,495	264	249	15,410	247	231	16,672	253	241	917,602	9	7	930
Administrative Services	141	155	9,063	161	167	10,178	152	143	9,108	150	142	10,097	151	142	10,097	...	...	...
Subtotal	416	419	24,375	436	443	27,633	416	392	24,548	400	376	26,769	409	383	27,699	9	7	930
Subtotal	4,845	4,753	363,668	4,845	4,786	372,354	5,689	5,149	498,193	5,422	5,496	497,495	5,730	5,568	522,047	100	92	24,552
Carryover authority	...	...	10,116	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total	4,845	4,753	373,776	4,845	4,786	372,354	5,689	5,149	498,193	5,422	5,496	497,495	5,730	5,568	522,047	100	92	24,552
Other Workyears																		
Holiday		15			17			17			17			18			1	
Overtime																		
AUO		568			575			615			668			669			9	
Other		35			33			35			35			35			...	
Total reimbursable workyears		5,443			5,338			5,816			6,198			6,290			92	
Reimbursable workyears		25			22			25			25			25			...	
Total workyears		5,388			5,353			5,811			6,223			6,315			92	

Drug Enforcement Administration

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Enforcement	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Domestic enforcement	2,028	1,766	$148,366	2,017	2,008	$157,212	2,073	2,050	$164,421	56	42	$7,209
Organized crime drug enforcement	762	749	58,553	762	749	62,865	762	749	62,865	...	...	...
Foreign cooperative investigations	481	426	54,511	481	454	58,565	481	454	58,565	...	...	...
Diversion control	580	520	30,299	580	562	33,271	580	562	33,271	...	...	...
State and local task forces	259	225	30,632	259	254	31,149	259	254	31,149	...	...	...
Total	4,110	3,686	322,361	4,099	4,027	343,062	4,155	4,069	350,271	56	42	7,209

This budget activity includes all programs directly responsible for drug investigations leading to the prosecution, conviction and immobilization of drug traffickers and their organizations. Included in this responsibility are all domestic and foreign investigative efforts and regulatory activities under the diversion control program.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Domestic enforcement	2,028	1,766	$148,366	2,017	2,008	$157,212	2,073	2,050	$164,421	56	42	$7,209

Long-Range Goal: To reduce the domestic supply of illicit drugs and to seriously disrupt or eliminate the organizations trafficking in those drugs.

Major Objectives:

To eliminate all domestic production and/or cultivation of illicit drugs.

To identify and seize as much drug evidence and related assets as possible from those individuals and organizations involved in the illegal drug trade.

To investigate and prepare for successful prosecution all major drug cases developed or received.

To respond to all appropriate requests for assistance from Federal, state and local law enforcement agencies involved in the fight against illegal drug production, cultivation and trafficking.

Base Program Description: This program addresses the national problems of: the manufacture, cultivation and distribution of illegal drugs; the criminal investigations relating to the diversion of legally produced drugs into the illicit market; and, the disruption or elimination of the individuals and organizations who distribute these illegal substances. The major thrust of the Domestic Enforcement program is the elimination or immobilization of the individuals and groups at the highest echelons of domestic drug production, smuggling and distribution organizations.
To address these problems, DEA utilizes various methods and activities in support of the major objectives stated above. The first step in eliminating the supply or distribution of illegal drugs is the identification of the source and individuals involved. This is accomplished through confidential informants, intelligence gathered from other sources and referrals from other Federal, state and local authorities. Once this is accomplished, evidence is gathered through undercover and reverse undercover operations, audio/video surveillance, Title III operations, and where warranted, establishment of a Special Enforcement Operation (SEO). When sufficient evidence is gathered, Federal, state and local prosecuting authorities receive the case for preparation for prosecution resulting in the indictment, arrest, and trial of the defendants involved. Concurrent with criminal prosecution is the seizure and initiation of forfeiture proceedings to remove all drug related assets from the individual or organization charged. Major violators and heads of organizations are targetted for continuing criminal enterprise prosecution which carries a 10-year to life sentence and allows for forfeiture of those items identified as part of the criminal enterprise proceeds. Prosecution of individuals or groups need not be confined to violation of drug laws. Where warranted, more and more use is being made of Racketeer Influenced Corrupt Organization (RICO) and IRS statutes. These laws are conspiratorial in nature and upon conviction allow consecutive sentences to be imposed, in conjunction with the sentence for drug law violation. In all these efforts and activities, maximum coordination and assistance is rendered to and received from other Federal, and state and local enforcement agencies where appropriate.

Accomplishments and Workload: Accomplishments and workload of the Domestic Enforcement program are presented in the following table:

Domestic Summary	1985	1986	Estimates 1987	1988
Investigative workhours by case class:				
Class I	1,224,548	1,321,212	1,377,613	1,566,536
Class II	255,959	268,453	279,125	315,949
Class III	348,226	293,026	305,324	347,098
Class IV	43,352	37,668	38,543	41,430
Subtotal	1,872,085	1,920,359	2,000,605	2,271,013
General file workhours	209,383	224,796	232,835	255,876
Total	2,081,468	2,145,155	2,233,440	2,526,889
Arrests by case class:				
Class I	3,135	4,329	4,604	5,506
Class II	1,024	1,199	1,268	1,501
Class III	1,549	1,427	1,514	1,802
Class IV	470	371	384	429
Subtotal	6,178	7,326	7,770	9,238
Federal referral arrests	1,344	1,381	1,400	1,865
DEA cooperative arrests	2,940	3,466	3,619	4,132
Total	10,462	12,173	12,789	14,835
Convictions:				
Federal court	5,734	4,202	4,411	5,089
State court	1,806	1,045	1,109	1,315
Drugs Removed:				
Heroin (Kilo.)	393	284	303	344
Cocaine (Kilo.)	19,952	23,909	25,124	29,669
Cannabis (Kilo.)	723,727	680,901	680,901	680,901
Dangerous drugs (000 D.U.)	21,373	28,267	31,402	41,009

Heroin

Because of its virulent impact on national health and crime, heroin remains one of DEA's major priorities. Since virtually all heroin abused in the U.S. is imported, domestic efforts are aimed at preventing heroin from reaching American markets through the disruption and immobilization of drug smuggling and distribution networks. The major sources of heroin imported into U.S. are the Southwest Asian countries of Pakistan, Afghanistan and Iran. However, there are recent identifiable increases in the heroin imported from Southeast Asia and Mexico.

979

During 1986, DEA continued its intensified efforts against the importation of heroin from Mexico through the establishment of Special Enforcement Operation COLUMBUS. This SEO targets major at Mexican heroin traffickers on both sides of the Mexican-American border. Additionally DEA continued SEO FULLPRESS which is DEA's participation in Operation ALLIANCE.

With the increased heroin resources provided in 1987, DEA expects the following additional statistical results in 1987 and 1988: 18,601 additional heroin investigative workhours in 1987 and 54,368 more in 1988; 91 additional heroin arrests in 1987 and 200 more in 1988; 46 additional heroin convictions in 1987 and 105 more in 1988; and 19 additional kilograms of heroin removed in 1987 and 41 more in 1988.

			Estimates	
	1985	1986	1987	1988
Heroin				
Investigative work hours by class of case:				
Class I	319,332	253,226	265,809	301,957
Class II	56,433	44,827	46,984	53,853
Class III	97,164	65,577	68,732	78,197
Class IV	5,744	3,654	3,830	4,357
Subtotal	478,673	367,284	384,955	437,964
General file	26,096	22,259	23,189	24,548
Total	504,769	389,543	408,144	462,512
DEA initiated arrests by class of case:				
Class I	390	474	510	580
Class II	226	162	174	198
Class III	236	207	223	253
Class IV	18	22	24	27
Subtotal	870	865	931	1,058
Federal referral arrests	201	160	168	191
DEA cooperative arrests	291	346	363	413
Total domestic heroin arrests	1,362	1,371	1,462	1,662
Convictions:				
Federal courts	868	562	599	682
State courts	302	144	153	175
Heroin seized (Kg.)	393	284	303	347

Cocaine

Cocaine continues to be the popular drug of abuse for such groups as young affluent professionals, entertainers and athletic figures. Since no coca plants are grown domestically, the domestic enforcement effort will be aimed at the following: the prevention of smuggling of cocaine from Latin American source countries; the identification, location and seizure of domestic clandestine cocaine conversion laboratories; and the disruption or elimination of cocaine traffickers and their organizations.

In attacking these targets, DEA will continue to employ the proven investigative techniques identified earlier in this package. Additionally, DEA will continue to work closely with the other Federal, and state and local enforcement agencies which, as in the case of heroin, has proven so successful.

During 1986, a new drug phenomenon, known as "crack" cocaine burst onto the illicit drug scene. Crack is an inexpensive, highly addictive form of cocaine that is designed to be smoked. The attraction of crack is its low price and intense "high". The bad side of crack is that it is so highly addictive and causes some dangerous physiological side effects.

As part of the 1987 supplemental DEA received increased resources to establish crack cocaine task forces in the following cities:

Atlanta	Ft. Lauderdale	Minneapolis	Portland
Baltimore	Ft. Meyers	Newark	San Diego
Boston	Houston	New Orleans	San Francisco
Dallas	Kansas City	New York (2)	Seattle
Denver	Los Angeles	Philadelphia	St. Louis
Detroit	Miami	Phoenix	

Also, as part of the 1987 supplemental, DEA received additional resources to enhance traditional cocaine investigative efforts. A major thrust of these enhanced resources will be against cocaine being transshipped from Mexico across the Mexican-American border.

During 1986, DEA continued SEO PISCES. This SEO is aimed at the money laundering activities of domestic cocaine trafficking groups. While Operation PISCES is based in Miami, it has resulted in drug and asset seizures from Miami to New York to Los Angeles. Since its inception in 1984, enforcement efforts under Operation PISCES have netted the following results: $40,000,000 in assets seized, 10 tons of cocaine seized; 6.5 tons of hashish seized; and 250 individuals arrested. Current planning for 1987 identifies 175 potential additional arrests.

Also, during 1986, DEA continued SEO PIPELINE. This SEO is aimed at training primarily State and local officers on how to interdict drugs and money being transported on the nation's highway system. In 1986 State, local and U.S. Border Patrol officers produced the following results:

3,000	State and local officers trained.
300	Border Patrol officers trained.
4,000	Pounds of cocaine seized.
7,800	Pounds of marijuana seized.
150	Pounds of liquid hashish seized.
66	Pounds of methamphetamine seized.
$8,721,600	in cash seized.

With the additional cocaine investigative resources provided in 1987, DEA expects the following additional statistical results in 1987 and 1988: 47,697 additional cocaine workhours in 1987 and 173,118 more in 1988; 339 additional cocaine arrests in 1987 and 1,276 more in 1988; 124 additional cocaine convictions in 1987 and 464 more in 1988; and 1,215 additional kilograms of cocaine removed in 1987 and 4,545 more in 1988.

DEA anticipates an increase of cocaine smuggling along the 1,900 mile Mexican-U.S. border in the future. As interdiction pressure has been increased in Florida and the Caribbean, a number of major Colombian traffickers have switched their modus operandi to utilize Mexico as a transshipment point. Whether this trend will diminish smuggling activity in the Caribbean is unknown. To date it has not.

			Estimates	
	1985	1986	1987	1988
Cocaine				
Investigative workhours by class of case:				
Class I	573,611	742,202	770,796	876,296
Class II	145,067	180,970	187,942	213,666
Class III	190,809	183,792	190,873	216,998
Class IV	10,607	10,988	11,422	12,985
Subtotal	920,094	1,117,952	1,161,033	1,319,945
General file	96,141	110,179	114,795	129,001
Total	1,016,235	1,228,131	1,275,828	1,448,946
DEA initiated arrests by class of case:				
Class I	1,473	2,437	2,577	3,105
Class II	509	770	814	981
Class III	861	980	1,036	1,249
Class IV	156	128	135	163
Total	2,999	4,315	4,562	5,498
Federal referral arrests	196	267	277	315
DEA cooperative arrests	1,708	2,123	2,205	2,507
Total domestic cocaine enforcement arrests	4,903	6,705	7,044	8,320
Convictions:				
Federal courts	2,168	1,974	2,074	2,450
State courts	783	465	489	577
Cocaine seized (Kg.)	19,952	23,909	25,124	29,669

Cannabis

The cannabis products abused in this country include marijuana, hashish and hashish oil. Since between 86 and 88 percent of the cannabis products abused in this country are produced in foreign countries, a major thrust of DEA's enforcement activities is the use of traditional investigative methods aimed at the immobilization or elimination of the trafficking organizations smuggling cannabis into this country.

To deal with the problem of domestically produced marijuana, DEA continued its highly successful program of domestic cannabis eradication. Again in 1986, all fifty states participated in the program. DEA's strategy in this program is to provide varying levels of support to each participating state in relation to the scope of the marijuana problem and the level of effort being performed by the state. In implementing this strategy, DEA provides training, equipment, funding, aircraft and investigative support to encourage the state to develop an aggressive program of cannabis eradication within its boundaries. Additionally, DEA encourages the states to employ the use of herbicides.

During 1986, DEA established Operation MAN, aimed at stopping marijuana traffickers from using false corporations to launder marijuana smuggling profits. Operation MAN has already resulted in the arrest of 9 class I violators and the seizure of $15,000,000 in real property assets. As a result of 1986 enforcement efforts under this effort DEA is ready to move against an anticipated $9,000,000 worth of boats in early 1987.

Another high point of DEA's cannabis enforcement program was the Domestic Marijuana Eradication Program. In 1986, 23 eradication schools were conducted to train a total of 887 law enforcement officials from other Federal, state and local agencies. DEA flew 281 air missions totalling 730 hours flown. Direct eradication efforts resulted in an 18 percent increase in plants eradicated, a 7 percent increase in plots eradicated, and a 7 percent increase in arrests.

Again in 1987, emphasis will be placed on booby-trap detection and avoidance during Domestic Marijuana Eradication Program training schools. This stems from the trend toward the use of dynamite, pipe bombs and other explosive devices encountered in 1985. Also on the increase was the use of guard dogs and animal traps. All of these efforts were aimed at preventing anyone from entering the area of cultivation.

			Estimates	
	1985	1986	1987	1988
Cannabis				
Investigative workhours by class of case:				
Class I	152,611	125,664	125,664	125,664
Class II	20,090	22,887	22,887	22,887
Class III	20,175	17,252	17,252	17,252
Class IV	23,304	19,626	19,626	19,626
Subtotal	216,180	185,429	185,429	185,429
General file	50,332	64,554	64,554	64,554
Total	266,512	249,983	249,983	249,983

	1985	1986	Estimates 1987	1988
DEA initiated arrests by class of case:				
Class I	686	686	686	686
Class II	158	167	167	167
Class III	209	132	132	132
Class IV	283	188	188	188
Total	1,256	1,173	1,173	1,173
Federal referral arrests	931	937	937	937
DEA cooperative arrests	272	308	308	308
Total domestic cannabis enforcement arrests	2,459	2,418	2,418	2,418
Convictions:				
Federal courts	1,921	1,020	1,020	1,020
State courts	302	155	155	155
Cannabis seized (Kg)	723,737	680,901	680,901	680,901
Domestic Marijuana Eradication:				
Cultivated plants eradicated	4,000,000	4,700,000	4,700,000	4,700,000
Plots eradicated	30,000	32,200	33,000	33,000
Arrests	5,000	5,340	5,600	5,600
Weapons seized	1,500	1,650	1,700	1,700
Eradication schools conducted	25	23	25	25
State and local officers trained	931	887	900	900

Dangerous Drugs

In contrast to heroin, cocaine and cannabis, which are all derivatives of plants, dangerous drugs are all chemically manufactured. The four major drugs of concern to this program are methamphetamine, amphetamine, PCP and LSD. All of these substances are produced domestically. These four drugs and the other lesser abused dangerous drugs find their way into the illicit drug market in two ways. The first is through diversion of legally produced drugs into the illegal market, and the second is the illegal production of these substances in clandestine laboratories located throughout the U.S. Since production of dangerous drugs requires processes and substances not associated with the other drugs of concern to DEA, some of DEA's enforcement efforts are aimed in two directions not associated with the usual drug investigation targets. The first is the identification, location and eradication of the clandestine laboratories established to manufacture illicit dangerous drugs. Second is the restriction of the availability of the precursors known to be required for the manufacture of dangerous drugs. DEA has had success gaining the support of precursor manufacturers in reporting large sales of these substances. While these investigations are important, the primary thrust of DEA's efforts is the investigation, arrest and prosecution of the individuals and groups trafficking in these illicit drugs. Dangerous drugs investigations emanate from the traditional sources discussed in the opening section of this package and from the Diversion Control Program, which is a separate DEA program. With the increase in both clandestine laboratories and the clandestine production of controlled substance analogs, DEA is now identifying analogs for control and studying safety precautions, procedures and equipment to be used in clandestine laboratory investigations and hazardous chemical disposal.

As a matter of investigative policy, DEA decided to concentrate its dangerous drug investigative efforts against clandestine production laboratories. As a result, DEA seized a record 442 clandestine laboratories, a 41 percent increase over 1985. DEA seized 28,267,000 dosage units of dangerous drugs, a 32 percent increase over 1985.

With the additional dangerous drug resources provided in 1987, DEA expects the following additional statistical results in 1987 and 1988: 21,987 additional dangerous drug workhours in 1987, and 65,963 more in 1988; 186 additional dangerous drug arrests in 1987 and 570 more in 1988; 103 additional dangerous drug convictions in 1987 and 315 more in 1988; and 3,135,000 additional dosage units of dangerous drugs removed in 1987 and 9,607,000 more in 1988.

Dangerous Drugs	1985	1986	Estimates 1987	Estimates 1988
Investigative workhours by case class:				
Class I	178,994	200,120	215,744	262,619
Class II	34,369	19,769	21,312	25,943
Class III	40,078	26,405	28,467	34,651
Class IV	3,697	3,400	3,665	4,462
Subtotal	257,139	249,694	269,188	327,675
General file	36,813	27,804	30,297	37,773
Total	293,952	277,498	299,485	365,448
DEA initiated arrests by class of case:				
Class I	626	732	837	1,135
Class II	131	100	113	155
Class III	243	108	123	168
Class IV	53	33	37	51
Total	1,053	973	1,104	1,509
Federal referral arrests	16	17	18	22
DEA cooperative arrests	669	689	743	904
Total dangerous drug arrests	1,738	1,679	1,865	2,435
Convictions:				
Federal court	777	646	718	937
State court	419	281	312	408
Dangerous drugs seized (000 D.U.)	21,373	28,267	31,402	41,009
Clandestine laboratories seized	314	442	475	500

Program Changes:

Asset Removal Teams

DEA requests 30 positions (20 agents, 10 technical/clerical), 22 FTE workyears, and $2,759,000 to establish an asset removal team in the Miami, Chicago, New York, Houston, Washington, D.C., and San Francisco domestic division offices, and to expand the team in San Diego.

The resources requested to establish asset removal teams will dramatically contribute to the immobilization of drug trafficking organizations by fully exploiting DEA's authority to seize trafficker assets. Besides increasing the amount of trafficker assets seized, these resources will also allow the assigned case agent to concentrate on the criminal aspects of the case, leaving the asset seizure to the asset removal team. DEA's San Diego Division was the site of the first asset removal team and posted the following results:

1980 - No Asset Removal Team	$1,000,000 seized
1981 - Asset Removal Team in Operation for Half the Year	$4,900,000 seized
1982	$13,700,000 seized
1983	$8,100,000 seized
1984	$13,800,000 seized
1985	$23,700,000 seized
1986	$29,000,000 seized

Field Data Entry

DEA requests 26 positions, 20 FTE workyears, and $4,450,000 for field data entry support. It is estimated that 100 contract positions will be required at a cost of $3,550,000.

Most of DEA's systems have been converted to operate under Model 204 Data Base Management System (DBMS). When the office automation project is implemented, DEA's information systems will become accessible worldwide and the usefulness of the information will depend upon the accuracy and timeliness of the data entry. Therefore, it is necessary that DEA computer technicians, and contract data entry and analysis technicians be assigned to the DEA field offices and headquarters to perform data entry functions. It is proposed that each division, including EPIC, be supported with contract data analyst personnel varying from 2 to 5 positions, depending on the division size, workload and operational requirements. Also, a group of contract personnel would be employed to support headquarters elements and would be available, on short notice, to be deployed to the field to eliminate backlogs, as well as supporting those periods of time when data input is a critical issue. In addition, DEA employees positions will be required to provide contract and technical monitoring, workload quality control, continuity of operations and retention of instructional knowledge should contract lapses occur, and to provide support in particularly sensitive investigations.

Information systems training classes have been developed for some of the information systems that are operating under M204 to instruct DEA personnel on how to use the system and how to input the data. Additional training classes will be developed for new and recently converted systems as the systems are implemented. As DEA personnel are trained in the use of the information systems, the timely input of the data bases must be maintained in an up-to-date status if the optimum use of data is to be realized.

The application of data analysis and use of data entry contract personnel will allow the information systems data bases to be kept current. It will improve the credibility of the information and provide for the maximum application of the information systems data. The small administrative staffs in the divisions will not be impacted by the increased requirement for data entry and the functions will be performed by contract data entry personnel. The use of highly trained and experienced data entry personnel in the various systems will reduce errors and personal/personnel frustrations.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount
Organized crime drug enforcement.....	762	749	$58,553	762	749	$62,865	762	749	$62,865	...	...	...

Long-Range Goal: To identify, investigate, and prosecute members of high-level drug trafficking enterprises and to destroy or immobilize the operations of those organizations.

Major Objectives:

To promote a coordinated drug enforcement effort in each task force region, and to encourage maximum cooperation among all Federal enforcement agencies.

To work fully and effectively with state and local drug enforcement agencies.

To make full use of financial investigative techniques, including tax law enforcement and forfeiture actions, in order to identify and convict high level traffickers and to seize assets and profits derived from high level drug trafficking.

Base Program Description: Organized crime is involved in drug trafficking. The major organizations that this program address are:
- Traditional organized crime figures;
- Major outlaw motorcycle gangs (e.g., Hells Angels, Pagans, Outlaws, Bandidos);
- Other organized criminal groups (e.g., major street gangs, prison gangs);
- Organizations that import and/or distribute large amounts of controlled substances, or finance the foregoing; or
- Physicians or pharmacists illegally dispensing substantial quantities of prescription drugs.

Thirteen Organized Crime Drug Enforcement Task Forces (OCDETF) have been established in the following regions. The core city for each of the task forces is indicated in parenthesis:

New England (Boston)
New York/New Jersey (New York)
Mid-Atlantic (Baltimore)
Southeast (Atlanta)
Gulf Coast (Houston)
South Central (St. Louis)
North Central (Chicago)
Great Lakes (Detroit)
Mountain States (Denver)
Los Angeles/Nevada (Los Angeles)
Northwest (San Francisco)
Southwest Border (San Diego)
Florida/Caribbean (Miami)

The overall program goal is accomplished by:

- Adding new Federal resources to the investigation and prosecution of these major drug trafficking organizations; and
- Fostering improved interagency coordination and cooperation in the investigation and prosecution of major drug cases

Task force operations are planned and coordinated through a network of committees representing participating agencies and under the general direction of the Associate Attorney General. At the national level, a working group formulates general policy and monitors the program with the assistance of a small administrative unit in the Department of Justice. In each of the 13 regions, the U.S. Attorney in the "core city" manages task force operations through the Task Force Coordination Group. This group approves and monitors all task force investigations in the region to ensure that investigations are consistent with program goals and objectives, and that appropriate interagency coordination takes place.

Individual task force cases are investigated and prosecuted by multi-agency teams in the judicial districts within each region.

Agents and attorneys in individual task force cases remain under the direct supervision of their respective agencies, but conduct investigations jointly with other task force agents and attorneys. Leadership responsibility for a specific case is decided on a case-by-case basis and assumed by one of the investigative agencies.

Accomplishments and Workload: During 1986, DEA capitalized on a modest 3 percent investigative workhour increase by producing a 24 percent increase in arrests, and drug seizure increases of 19 percent for cocaine, 45 percent for cannabis, and 395 percent for dangerous drugs. As the full force of the resource enhancements provided in 1985 comes to bear in 1987, DEA expects statistical results as reflected in the table below.

Item	1985	1986	Estimates 1987	Estimates 1988
OCDE cases involving DEA.....	315	325	350	350
Investigative workhours.....	802,446	818,325	938,450	938,450

Item	1985	1986	Estimates 1987	Estimates 1988
DEA/OCDE arrests	2,041	2,547	2,859	2,859
DEA/OCDE convictions	959	1,484	1,633	1,633
Drugs removed:				
Heroin (kilo.)	29	23	27	27
Cocaine (kilo.)	1,356	1,616	1,821	1,821
Cannabis (kilo.)	4,957	7,179	7,929	7,929
Dangerous drugs (000 D.U.)	698	2,740	2,845	2,845
Assets removed ($000)	$110,010	$123,382	$142,500	$143,000

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Foreign cooperative investigations	481	426	$54,511	481	454	$58,565	481	454	$58,565	...	...	...

Long-Range Goal: To reduce the supply of drugs of foreign origin destined for the United States illicit market.

Major Objectives:

To conduct high quality cooperative investigations aimed at eliminating the supply of illicit drugs destined for the United States, and disrupt or eliminate the organizations trafficking in those drugs.

To gather and analyze as much intelligence as possible concerning illicit drugs of foreign origin destined for the United States.

To satisfy all appropriate requests from foreign governments for training of their respective law enforcement officials.

Base Program Description: This program addresses the problem of drugs of foreign origin destined for consumption in the United States illicit market. The majority of illicit drugs available in the United States are of foreign origin. DEA's overseas efforts are directed at assisting host governments in the development of programs to reduce the supply of drugs at or near the agricultural source; immobilize foreign clandestine conversion laboratories; identify export staging areas and interdict the drugs; and reduce the diversion of legitimate drugs from international commerce. In 1986, the Administration and Congress recognized the ongoing need for additional resources to assist foreign

narcotics control authorities in the suppression of illicit narcotics traffic actually or potentially impacting the United States. DEA overseas presence is at the invitation of the host country. DEA is represented in 64 offices in 42 countries. The basic authorities for this program are Reorganization Plan No. 2 of 1973 and Executive Order 11727 of 1973. This program is carried out in coordination with the Department of State in foreign areas, Department of Justice guidelines and in accordance with P.L. 94-329, which is referred to as the Mansfield Amendment, as amended by Section 2008, Title II of the Anti-drug Abuse Act of 1986. In addition to the social and economic threat posed by the supply of foreign-source drugs into the United States, there are other factors which directly relate to the activities of this program. These include:

- The level of acceptance of DEA's presence and assistance in foreign countries varies because of such factors as the degree of motivation, national pride, political instability and law enforcement capabilities of the host country.
- Many foreign governments appear to consider drug abuse a western phenomena; however, with the proliferation of drug abuse problems in other countries, this attitude appears to be changing.
- Some source countries have not been able to establish effective drug control in rural areas due to such obstacles as geography, limited and antiquated communications, and time-distance considerations. Denied access areas such as Iran, Afghanistan, Laos and Northern Burma pose even greater obstacles due to a complete lack of diplomatic dialogue.
- The consequences of traditions, conflicting jurisdictions, and divided provincial and tribal authority preclude effective narcotics control in many countries.
- Illicit drug cultivation provides a significant income which, in many areas, is traditional and not easily replaceable.
- International "legal" money transactions are an essential element of the world illicit drug traffic.
- Foreign government drug intelligence collection, production, and dissemination systems, particularly those directly supportive of U.S. drug enforcement efforts may be in need of improvement.

DEA foreign activities focus on the provision of expert advice and authorized investigative, intelligence, and training assistance in those foreign areas deemed most critical to the reduction of drugs destined for the U.S. A natural extension of these programs is DEA encouragement and assistance in the implementation of substantive intergovernmental enforcement cooperation and intelligence exchanges.

Intelligence collection activities overseas are supplemented through the development and implementation of Special Field Intelligence Program (SFIP) operations. The purpose of SFIP operations is to provide funding to exploit highly specialized or unique collection opportunities against a wide variety of intelligence problems in foreign areas. These efforts are largely targetted toward collection of data on all phases of narcotic raw material production, smuggling routes and methods, trafficking and abuse patterns, as well as other matters of collateral interest, such as terrorist or financial matters relating to narcotics activities. This material reported and disseminated through DEA channels provides foreign, domestic and headquarters line and managment personnel with detailed and accurate information which can be used for investigative as well as planning purposes.

Specifically, DEA has in recent years worked with such countries as Pakistan, Turkey, France, Italy and Mexico to develop the necessary intelligence to move against clandestine conversion laboratories, smuggling organizations, cultivation areas, and the organizations responsible for the trafficking of illicit drugs around the world. Additionally, DEA has maintained the necessary political liaison to influence the legislative process in various host countries in an effort to establish drug laws where none previously existed or were weak. Finally, DEA is making inroads into international financial investigations through the cooperation of host countries and the international banking and financial communities.

066

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The diversion of legitimately-produced controlled substances from international channels has become a problem directly affecting the United States. DEA has responded to the problem by establishing international diversion programs in such cities as Bonn, West Germany and Mexico City.

As a result of diplomatic initiatives undertaken by DEA and the Department of State, foreign countries continue to make significant advances toward curbing the diversion of legally-produced drug substances. For example, all known methaqualone source countries have either ceased production or severely limited its exportation.

Current DEA planning for this program calls for continued expansion of DEA's presence overseas. With the use of existing resources in 1986, and the additional resources provided as part of the 1987 supplemental, DEA will be able to open new country and resident offices according to the following planned schedule:

1986
Australia and Nigeria Country Offices

1987
Paraguay, Trinidad/Tobago, Haiti and Belize Country Offices; Maracaibo, Barcelona, and Naples Resident Offices

1988
Kenya, Portugal and United Arab Emirates Country Offices; Sao Paulo and Toronto Resident Offices

1989
Ivory Coast, Morocco and Sri Lanka Country Offices; Calcutta Resident Office

991

Heroin

Since virtually all heroin consumed in the United States is of foreign origin, DEA has active heroin programs in 58 foreign locations. The primary source regions for production of heroin are the following: the Southwest Asian countries of Pakistan, Afghanistan and Iran; the Southeast Asian countries of Burma, Thailand, and Laos; and Mexico. DEA's focus in combatting heroin in these areas is to provide expert advice and/or investigative assistance, authorized investigative intelligence, and training in the areas deemed most critical to eliminating heroin production and smuggling. As a result of U.S. Government encouragement and support, the Pakistani Government has agreed to an aerial poppy spraying program for 1987-1988.

DEA efforts in Egypt and Nigeria have resulted in increased heroin seizures and intelligence for these countries and the continent as a whole.

Cocaine

Virtually all cocaine abused in the United States comes from the South American countries of Colombia, Peru and Bolivia. Additionally, Mexico is a major transshipment country. Traditionally, the cocaine traffickers have been extremely powerful in these countries with strong influence at the upper echelons of government and judicial systems. That situation is beginning to change as the governments in these countries are starting to assert their legal authorities and pursue the cocaine traffickers. DEA will continue to support these governments in their quest to control cocaine trafficking.

Specifically, DEA focuses its efforts in three major areas of emphasis to help South American governments fight cocaine traffic. The first area is the eradication of the coca plant and crop substitution efforts to provide a viable economic alternative to citizens growing the plant. Second, DEA continues its efforts to control the essential chemicals necessary to convert the raw materials into cocaine hydrochloride. These precursors are ethyl ether, acetone and potassium permanganate. Finally, DEA, with the assistance and permission of the host government, runs international Title III operations and requests extradition of traffickers to this country for trial.

Cannabis

The traditional source countries for marijuana are Colombia, Jamaica, Mexico and Thailand. Hashish and hashish oil are predominantly imported from the Middle Eastern countries of Lebanon, Pakistan and Afghanistan, with Jamaica becoming a major source country for hashish oil. These products tend to be smuggled into this country in ton quantities using all land, sea and air routes.

In combatting the flow of cannabis products to this country, DEA uses all the same methods as in heroin and cocaine. Extensive use is made of the Special Field Intelligence Program and Special Enforcement Operations.

Dangerous Drugs

This program is aimed at combatting the flow of dangerous drugs and their precursor materials into this country and between countries. In this case, since most of the drugs of abuse in this category are manufactured here at home, the main target of DEA overseas efforts is the control of the flow of precursor chemicals into this country. It has become absolutely clear that there is an ongoing and growing need for increased liaison with foreign governments where these precursors are manufactured. Of special interest in this area is the training of foreign officials in the enforcement of the laws governing the international trade of the precursor materials.

Training Foreign Officials

DEA requires the cooperation and assistance of competent law enforcement officials in and near the source countries of illicit drug production and smuggling to ensure success in DEA foreign cooperative investigations and assistance. To achieve this goal, DEA carries out a variety of training classes, both in the United States and in host countries with funding from the Department of State.

992

Accomplishments and Workload:

Item	1985	1986	Estimates 1987	1988
Workhours:				
Investigative	116,409	131,844	146,300	189,800
General file	36,711	95,713	106,200	137,700
Intelligence	9,128	7,251	7,500	8,250
Liaison	25,242	24,505	25,800	29,500
Cooperative arrests by drug type:				
Heroin	721	571	620	810
Cocaine	375	410	450	590
Cannabis	103	107	120	150
Dangerous drugs	15	24	30	50
Total	1,214	1,112	1,220	1,600
Cooperative drug removals:				
Heroin (Kilo.)	3,644	1,448	1,600	2,100
Cocaine (Kilo.)	3,151	1,460	1,600	2,100
Cannabis (Kilo.)	9,318,400	20,448	22,900	28,700
Dangerous drugs (000 D.U.)	172	14,825	18,500	30,900
Special field intelligence program:				
Requested	45	45	45	45
Conducted	23	30	30	30
Intelligence reports:				
Requested	120	120	120	120
Prepared	105	105	105	105
Foreign officials trained:				
Trained	1,552	1,341	1,300	1,300

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Diversion control	580	520	$30,299	580	562	$33,271	580	562	$33,271	...	...	...

Long Range Goal: To prevent legitimately produced controlled substances from being diverted into illicit channels.

Major Objectives:

To conduct high quality and timely criminal investigations of C-DFP I and II violators responsible for large scale drug diversion and participate in joint investigations with other agencies.

To conduct administrative revocation investigations which may result in the immediate revocation, denial, surrender or suspension of a DEA registration.

To conduct periodic, unannounced investigations of drug manufacturers, distributors and wholesalers on a minimum three-year cycle.

To conduct pre-registrant investigations on a timely basis prior to the issuance of DEA registration.

To respond on a timely basis to the most critical requests from state governments to assist them in their drug diversion efforts through violator targetting, investigative techniques, drug control actions and in specific problem areas.

To establish on a timely basis, manufacturing and production quotas on all substances with abuse potential to ensure that production does not exceed legitimate medical needs.

To swiftly identify all new substances which are being abused or have abuse potential and determine their placement in the appropriate CSA schedule, and provide a timely response to all requests from the United Nations concerning drug control issues.

To initiate and coordinate diplomatic efforts to eliminate diversion of controlled substances from international commerce and to respond to requests from foreign countries to assist them in improving their operational efforts to prevent international drug diversion.

To issue declarations and permits to pharmaceutical firms authorizing the import/export of controlled substances and provide the United Nations with statistical reports of import/export transactions as required by the Single and Psychotropic conventions.

To register all legal handlers of controlled substances on a timely basis and provide to registrants the order forms necessary for them to purchase schedule I and II substances.

Base Program Description: The Diversion Control program seeks to reduce to the maximum extent possible the diversion of legitimately produced controlled substances into illicit channels at all levels of distribution and to provide leadership and support to ensure that state and local agencies and the pharmaceutical industry establish and maintain programs and policies to control diversion. Drug abuse is one of the more serious problems facing America today. The high cost of drug abuse can be seen in our homes, schools, and factories. What is not well known is the role legally produced drugs play in the abuse problem. The President's Strategy Council on Drug Abuse reports that over seven million people use prescription drugs (barbiturates, amphetamines, tranquilizers) for non-medical purposes. Additionally, GAO has cite the report that legal drugs are involved in as much as 70 percent of all drug-related injuries or deaths. It is estimated that over 700 million dosage units are diverted annually from the legitimate channels in which they are manufactured, distributed and dispensed. Of this amount, 90 percent are diverted at the lower level or dispensing level of the distribution chain.

As part of its responsibility to protect the health and general welfare of the American people, the Federal government must respond to this problem. DEA is responsible for enforcing the provisions of the Controlled Substances Act, the Controlled Substances Import/Export Act, 21 U.S.C. 801-966 et., seq., and the Comprehensive Crime Control Act of 1984 as they pertain to legitimately produced controlled substances.

Criminal Diversion Investigations

It is estimated that approximately 12,000 practitioners are involved in violative acts. Under the Targetted Registrant Investigations Program, DEA identifies the highest level violators responsible for large scale diversion and conducts high quality and timely criminal investigations of their diversion activities. These investigations are made more complex because they involve legally registered practitioners as well as financiers backed by organized criminal elements. The aforementioned groups hire physicians who prepare a constant stream of illegally controlled drug prescriptions which result in millions of dosage units being diverted into the illicit market.

Public Interest Revocation Investigations

The Comprehensive Crime Control Act of 1984 created the Administrative Revocation Program through which DEA may deny an application for registration or immediately revoke or suspend a registration if it is determined that the issuance of such registration would be inconsistent with the public interest. This new authority allows DEA to impact on the violative registrant population which could not be effectively attacked through former existing authorities. As previously stated, approximately 90 percent of all diversion occurs at the practitioner level. This new investigative program will be directed entirely at that level and should result in significant reductions in drug abuse injuries and deaths.

CSA Mandated Cyclic Investigations

To ensure that diversion does not occur at the manufacturer, distributor or wholesale levels of the distribution chain, DEA periodically conducts unannounced investigations of these pharmaceutical firms. By regulation, DEA is required to conduct cyclic investigations of these firms at least once every three years.

Pre-registrant Investigations

Pre-registrant investigations are conducted on individuals and firms applying for DEA registration which ensures that only qualified individuals or companies are authorized to acquire or dispense controlled substances. The prescreening is the first line of defense against the obtaining of a valid DEA registration by a potential diverter.

State and Local Assistance

The Comprehensive Crime Control Act of 1984 included a state assessment provision which requires DEA to assess state programs aimed at suppressing the diversion of controlled substances from scientific, medical, research and legitimate distribution channels. DEA is now responsible for identifying areas of need and areas where assistance, advice and counsel should be provided to state and local government officials in order to make existing state diversion prevention programs more effective.

Drug Scheduling

DEA is responsible for determining the appropriate placement of controlled substances in the CSA schedule. There are five established schedules, each of which imposes varying degrees of control over prescribing, distribution, production, physical security and record-keeping. Domestic scheduling actions are initiated in response to new drug applications referred from the Food and Drug Administration and changes in trafficking patterns and abuse trends. In addition to domestic scheduling actions, DEA is heavily involved in international drug control issues. DEA is the lead agency in the United States in providing diversion data to the United Nations Secretary General. Approximately 50 percent of DEA's scheduling activities involve international drug control issues which DEA is mandated by treaty to address.

Pursuant to the Drug Diversion Control Amendments of 1984, DEA is authorized to schedule a drug in Schedule I for up to one year on an emergency basis if it is determined that such scheduling is necessary to avoid an imminent hazard to public safety. Generally, there are eight factors to be considered in scheduling a substance. Under this new authority, DEA must consider only three: (1) the history and current pattern of abuse of the drug; (2) the scope, duration and significance of its abuse; and (3) the risk to public health. This amendment reflects the concern caused by the rapid proliferation of controlled substance analogs (the so-called "designer drugs") including narcotics such as "China White," and the hallucinogens PCE or PHP which mimic the effects of PCP. It should be noted, however, that even with the emergency scheduling legislation, new controlled substance analogs continue to be a problem.

Schedules I and II consist of the most highly abused substances. DEA imposes a production quota on each substance listed in these schedules which limits the authorized production to the estimated legitimate medical and industrial requirements. When investigative information documents the substantial diversion and abuse of a schedule I or II drug, the production quota for that substance can be reduced. No individual or firm may dispense controlled substances unless they are registered with DEA. An annual registration requirement is currently imposed by DEA. The provision for three-year registration has been included in the Drug Diversion Control Amendments and regulations implementing this will be issued soon. The three-year registration period applies to practitioners and pharmacies. The annual registration requirement for distributors and manufacturers will not change. In order for a registrant to order Schedule I or II substances, a DEA order form must be utilized. It is critical that DEA be prompt in providing these order forms to registrants because failure to do so precludes their being able to conduct business as usual.

Accomplishments and Workload: During 1986, 353 criminal diversion investigations were conducted resulting in the arrest of 118 individuals. Asset removals and criminal fines or civil penalties in excess of $4.3 million were invoked. Also, during 1986, DEA conducted 740 cyclic investigations, 307 public interest revocation investigations and 1,326 pre-registrant investigations. Letters of admonition were sent to 266 firms, 45 administrative hearings were held, and 181 orders to show cause were referred for administrative action.

Special Operations

Special operations initiated against drug diversion have produced significant results. The Michigan Diversion Impact Program, for instance, has resulted in licensing action against eight pharmacies and ten registered pharmacists, with pending action against an additional six pharmacies, nine registered pharmacists and one wholesaler. The Michigan State Attorney General has filed civil complaints in all cases under investigation with proposed fines ranging from $52,000 to $12,000,000. Approximately 800,000 dosage units of schedule II drugs were seized. Operation WHITECOAT, which took place in Nashville, is another example of these special operations. To date, there have been nineteen arrests including four doctors, two pharmacists and thirteen street traffickers, financiers, and organizers. Approximately 200,000 dosage units of Schedule I and II controlled substances and $100,000 have been seized.

Operation SET BUSTERS was initiated in 1986 in Buffalo, New York, in response to fifteen reported deaths in the past three years in Erie, Pennsylvania, which were due to overdoses of the deadly combination of Doriden and codeine compounds called "sets." The source of these drugs were pharmacies in Buffalo, New York. Two pharmacists were indicted in May 1986, and at least six additional indictments against pharmacists and three against physicians are pending.

Operation QUAKER STATE has been proposed to deal with the significant amphetamine, methamphetamine and phenmetrazine problem in Pennsylvania. Based on the per capita consumption in relation to all other states, Pennsylvania ranked #1 in amphetamine, #1 in phenmetrazine and #2 in methamphetamine during the period 1982 through 1985. DEA personnel initiated investigations on twenty pharmacies. In addition to the pharmacies, nineteen doctors have been targetted for investigation. The operation is continuing with the assistance of the Pennsylvania Bureau of Narcotics Investigations.

International Diversion Activities

DEA has achieved great strides in curbing international diversion. Through our diplomatic initiatives and operational efforts, major advances have been made throughout the world to prevent the international diversion of controlled substances. A striking example is the virtual elimination of most known foreign sources of diverted methaqualone in the United States.

In July 1986, a Sino/United States policy level conference on the issues of drug abuse and illicit traffic was held in Beijing, Peoples Republic of China. This visit afforded the first opportunity for a comprehensive discussion of major drug policy issues on a bilateral basis and established an environment of cooperation between the United States and the Peoples Republic of China.

Two seminars relating to the diversion of drugs and chemicals were conducted with foreign officials. One was held in Argentina and the other in Chile. These seminars provided the forum to bring together for the first time forty host country officials from the Ministries of Health and Justice, Customs officials, etc., to discuss the diversion of legitimate pharmaceuticals, precursors and essential chemicals and

techniques for detection. Similar seminars have been held in Panama, Brazil, Venezuela, Ecuador, Buenos Aires and Chile. Another seminar held in San Juan, Puerto Rico, was specifically aimed at training Dominican Republic officials in regulatory control procedures. Seminars are planned for Peru and the Caribbean countries in 1987. DEA was also instrumental in initiating the first Diversion Investigations Training Seminar given by Interpol in France. Instruction was provided by DEA and others, and there were representatives from 15 countries present. Due to the favorable response of the first seminar in France, two others were held in 1986, one in Thailand and the other in Kenya.

A follow-up to the 1984 European Source Country Conference was held in Weisbaden, West Germany in December 1986. The conference, which was organized by Interpol and DEA, chaired by DEA and hosted by West Germany, was attended by seventeen countries. DEA is planning an Asian Conference on Diversion in Kuala Lumpur to be held in April 1987, which will be similar to the European conference and will include law enforcement, regulatory and Customs officials from seven nations. The seminars have been extremely well received in each country in which they have been presented, and both the seminars and multi-nation conferences provide an excellent forum to develop solutions to international diversion matters affecting the United States.

DEA, working with the State Department, has taken an active role in developing a new international convention for the suppression of trafficking of drugs of abuse. Representatives of DEA have been working with other governments on issues throughout the year. This new proposal is now in a draft form and will be presented to the United Nations Commission of Narcotic Drugs in February 1987. This new treaty addresses problems of international trafficking that are not being covered under existing treaties. During 1986, DEA processed 2,194 import/export declarations and permits.

Drug Scheduling

Since 1985, DEA has used its new emergency scheduling authority five times to control thirteen of the most dangerous and prevalent of the controlled substance analogs (designer drugs) under the CSA. The substances scheduled were: 3 methylfentanyl, a narcotic substance one thousand times more potent than morphine; MDMA, a neurotoxic hallucinogenic amphetamine; MPPP, a narcotic analgesic whose by-product, MPTP, has been responsible for a Parkinsonian syndrome in a number of individuals; PEPAP, a meperidine analog similar to MPPP; and nine fentanyl analogs, extremely potent analgesics.

A major effort is now underway to place these emergency scheduled substances under permanent scheduling. Emergency scheduling is effective for only one year. Since many of the analogs have never been produced commercially or studied in laboratories, the data required for permanent scheduling must be developed. The criteria for scheduling under the CSA requires that the pharmacology and chemistry be known before a scheduling action can be taken. Once the chemicals are acquired, we then obtain the pharmacological data necessary to meet the legal requirements for the scheduling of these most dangerous analogs. DEA has had the compounds synthesized so that the necessary data can be collected and the required standards can be prepared for analytical laboratory purposes.

In June 1986, DEA held a national conference on the problems of controlled substance analogs. The attendees, who were experts in the fields of medicine, science, law, law enforcement and education, exchanged information and formulated recommendations and guidelines to deal with the problem. Additionally, DEA, in conjunction with the Departments of Justice and Health and Human Services, drafted legislation which prohibits the manufacture, distribution and possession with intent to distribute controlled substance analogs for human consumption unless done in conformance with provisions of the Federal Food, Drug and Cosmetic Act. This legislation was incorporated in the Anti-Drug Abuse Act of 1986.

In addition to the thirteen substances which underwent emergency scheduling actions in 1986, DEA proposed the scheduling of three pharmaceutical drugs coincident with their anticipated approval for marketing, finalized the scheduling of three other pharmaceutical drugs, and removed one drug from the CSA. To satisfy international treaty obligations, DEA established more than 900 procurement and manufacturing quotas and provided technical expertise in a lengthy administrative hearing related to the scheduling of MDMA and quota hearings. DEA is frequently called upon to provide technical assistance in congressional hearings on controlled substance analogs and precursor chemicals. In response to requests from the U.N., the World Health Organization and Interpol, DEA prepared reports on the abuse, diversion and illicit trafficking of 33 sedative-hypnotics.

Seminars/Briefings/Training

In March 1986, DEA conducted the second Domestic Drug Policy Conference on the control and diversion of controlled substances which was attended by officials from 44 states and U.S. territories who have the authority to influence and establish controlled drug policy. Altogether, there were 72 state officials selected by the governors of the states to represent law enforcement and regulatory efforts at the state level concerning the control of legitimately manufactured controlled substances. The conference provided a forum to share and exchange current information regarding legitimately marketed controlled drugs, explore the issues of drug control and diversion and provide guidance to both Federal and state officials responsible for making policy as it relates to controlled substances. As a follow-up to the national conference, DEA sponsored and held three subcommittees on Model State Programs, legislative initiatives and multiple copy prescription systems.

In 1986, DEA participated in 24 national, state and local meetings using DEA officials in the field and 29 portable exhibits in furtherance of the program. The revisions of the PHYSICIANS MANUAL and PHARMACISTS MANUAL were conducted to include provisions of the Comprehensive Crime Control Act of 1984 and the Controlled Substances Registrant Protection Act of 1984. Eight DEA working committee meetings with industry, pharmacies, practitioners and drug wholesalers were held and continue to provide the agency with a forum for discussing matters of mutual concern. These meetings provide an opportunity to update the pharmaceutical industry on DEA requirements and supplies DEA with information concerning problems these groups may have in meeting the requirements of the CSA. DEA also conducted three seminars for state board and drug control investigators. The three-day sessions were attended by a total of 208 participants representing 43 states.

A second Advanced Diversion Training Institute was conducted for state regulatory officials. Topics discussed include CSA amendment changes and state programs initiated as a follow-up to the Second Domestic Drug Policy Conference.

Under the State Assistance Program, DEA conducted an assessment of each of the fifty states to determine their current capabilities and to identify those states which have the greatest need for investigative assistance, diversion control training, information collection and drug control legislation.

Other 1986 accomplishments include the processing of 788,000 registration applications and the issuance of 365,000 order form books.

Item	1985	1986	Estimates 1987	1988
Cyclic investigations conducted	579	740	820	875
Criminal diversion investigations	328	353	400	400
Pre-registrant investigations conducted	1,276	1,326	1,276	1,300
Public interest revocation investigations	72	307	700	750

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and local task forces	259	225	$30,632	259	254	$31,149	259	254	$31,149	...	...	...

Long Range Goal: To reduce drug availability and immobilize or eliminate significant drug trafficking organizations within the specific geographic/political boundaries under the jurisdiction of state and local law enforcement agencies involved in the task forces.

Major Objectives:

To conduct, in cooperation with the appropriate state and local agencies, high quality investigations leading to the arrest, prosecution and conviction of drug offenders significant to the specified area.

To seize as much drug evidence and drug related assets as possible from offenders arrested and prosecuted.

To establish and maintain an effective intelligence exchange with participating state and local police officers and agencies.

To conduct high quality on-the-job drug law enforcement training for participating state and local police officers.

Base Program Description: This program addresses the problem of reducing the drug availability and trafficking in specific geographic/political areas under the jurisdiction of state and local law enforcement agencies. Under this program, DEA special agents and state and local police officers are united into cohesive units that:

- Enhance inter-department/interagency cooperation during drug investigations and the ensuing prosecution;
- Facilitate the exchange of information and intelligence; and
- Permit State and local officers to receive first hand experience and on the job training in the conduct of Federal level drug investigations.

This program is not a unilateral assistance program. The state and local officers provide as much or more assistance to DEA as they receive. This is based on the following factors:

- By their sheer numbers, state and local police officers contribute significant amounts of manpower to the national drug law enforcement effort;
- By virtue of their presence in every city and state, these police officers cover areas DEA, with its fewer numbers, could never consider;
- State and local officers apply pressure to local drug dealers, thereby disrupting the area drug market and raising the costs of doing drug business;
- State and local officers develop investigative leads, informants and intelligence. Mutual exchange of this data with DEA agents assists both levels of drug law enforcement agencies in accomplishing their missions.

The Task Force program has proven itself an effective complement to the Federal drug enforcement effort by increasing the effectiveness of state and local drug enforcement activities aimed toward disruption of all levels of illicit drug trafficking. As part of a comprehensive national and international drug effort by Federal elements and their state, local and foreign counterparts, the Task Force program plays a critical role by attacking the mid-level violator, the link between the supplier and consumer. With disruption or removal of this link, the cycle of drug production and consumption--supply and demand--is significantly impeded. Moreover, the Task Force program provides DEA access to the lower levels of the trafficking spectrum, where investigations of new or previously unknown trafficking organizations are generally initiated, without a major investment of Federal resources.

At the end of 1986, there were 35 State and Local Task Forces operating out of the following metropolitan areas:

Baltimore, MD	Honolulu, HI	Phoenix, AZ	St. Louis, MO
Buffalo, NY	Long Island, NY	Portland, ME	Tucson, AZ
Burlington, VT	Louisville, KY	Reno, NV	Washington, DC
Charleston, WV	Lubbock, TX	Sacramento, CA	Wichita, KS
Chicago, IL	Minneapolis, MN	San Antonio, TX	Wilmington, NC
Cincinnati, OH	Newark, NJ	San Diego, CA	
Cleveland, OH	New Orleans, LA	San Jose, CA	
Denver, CO	New York, NY	San Juan, PR	
Detroit, MI	Orlando, FL	Savannah, GA	
Fort Worth, TX	Philadelphia, PA	Seattle, WA	

Accomplishments and Workload: DEA produced the following state and local task force results for 1986: 276,014 investigative workhours, a 28 percent increase from the 1985 level; 4,026 cooperative arrests, a 27 percent increase over the 1985 level; 2,261 convictions; 42 kilograms of heroin removed, 1,348 kilograms of cocaine removed; 137,629 kilograms of cannabis removed, and 15.9 million dosage units of dangerous drugs removed.

1001

As a result of the additional resources provided in 1987, DEA expects the following results: 29,501 additional investigative workhours in 1987 and 76,874 more in 1988; 430 additional arrests in 1987 and 1,119 more in 1988; and 224 additional convictions in 1987 and 624 more in 1988.

Item	1985	1986	Estimates 1987	Estimates 1988
Number of supported task forces	34	35	42	42
State and local officers assigned	430	430	528	528
DEA investigative workhours by class of case:				
Class I	125,467	148,451	164,306	205,563
Class II	25,206	45,954	50,862	63,633
Class III	41,012	49,218	54,475	68,153
Class IV	8,208	10,859	12,019	15,037
Subtotal	199,893	254,482	281,662	352,386
General file	15,066	21,532	23,853	30,003
Total	214,959	276,014	305,515	382,389
State and local task force arrests by class of case:				
Class I	823	1,557	1,723	2,156
Class II	423	697	771	965
Class III	997	1,205	1,334	1,669
Class IV	929	567	628	785
Total	3,172	4,026	4,456	5,575
Convictions:				
Federal courts	886	1,026	1,136	1,421
State courts	1,139	1,235	1,349	1,688
Drugs removed:				
Heroin (Kilo.)	24	42	46	58
Cocaine (Kilo.)	249	1,348	1,492	1,867
Cannabis (Kilo.)	11,577	137,629	152,329	190,577
Dangerous drugs (000 D.U.)	3,802	15,947	17,650	22,082

1002

Drug Enforcement Administration

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary

(Dollars in thousands)

Activity: Investigative Support	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence	362	341	$28,807	362	352	$24,129	362	352	$24,129	...	...	...
DEA laboratory services	223	202	12,740	223	218	12,809	223	218	12,809	...	...	...
DEA training	42	40	4,846	39	37	5,277	39	37	5,277	...	...	...
Research, engineering and technical operations	253	233	50,803	253	243	37,097	281	265	41,093	28	22	$3,996
ADP and telecommunications	131	118	37,929	106	99	39,191	121	110	51,608	15	11	12,417
Records management	88	83	3,866	85	80	4,363	85	80	4,363	...	...	...
Total	1,099	1,017	138,991	1,068	1,029	122,866	1,111	1,062	139,279	43	33	16,413

This activity provides for the necessary collection and dissemination of strategic, tactical/operational, and financial intelligence information, laboratory services, training programs, technical engineering development, ADP, and investigative record keeping support required for DEA enforcement efforts to meet their goals. Included in the technical operations portion of the Research, Engineering and Technical Operations program are: radio communications and support; technical equipment and support; the air program; and the motor vehicle program.

1003

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence.....	362	341	$28,807	362	352	$24,129	362	352	$24,129	...	...	...

Long Range Goal: To provide all information necessary to achieve drug law enforcement objectives.

Major Objectives:

To provide accurate, comprehensive and timely strategic intelligence on drug trafficking patterns.

To provide timely tactical and operational intelligence which supports active investigations and operations and maximizes drug law enforcement efforts worldwide.

To collect, process, analyze and disseminate drug-related intelligence to meet the needs and requirements of all agencies with drug law enforcement or drug intelligence responsibilities.

Base Program Description:

Strategic Intelligence

Strategic intelligence develops a comprehensive and current picture of (1) drug trafficking and availability, (2) the scope and severity of present and projected abuse patterns, and (3) the long-range prospects of reducing the supply of illicit drugs. The fact that drug trafficking patterns are constantly changing compounds the difficulty of developing definitive estimates.

One major tool used for collection of vital narcotic intelligence is the Special Field Intelligence Program (SFIP). These probes are used to gather information which cannot be determined through normal collection methods. In addition to strategic information, SFIP's also provide valuable tactical/operational and financial intelligence to field investigations.

Strategic intelligence indicators have been developed, information reporting systems established, and statistical methods used to produce estimates and projections of drug cultivation, production, smuggling patterns and abuse.

To broaden the information base, appropriate liaison is conducted with other law enforcement and intelligence agencies to enhance the exchange of strategic intelligence information. This coordination function ensures that significant gaps and deficiencies in intelligence collection efforts are identified and that the resolution requirements are generated.

Among the publications of the Strategic Intelligence Program are the annual Narcotics Intelligence Estimate, the Quarterly Intelligence Trends, and the Monthly Digest of Drug Intelligence, as well as special reports and country profiles. Taken collectively, these publications form the most comprehensive and authoritative assessments available to the Federal Government of the major trends which impact on the worldwide illicit drug situation. They provide senior managers with essential information required to make realistic threat assessments and critical resource allocation decisions.

Tactical/Operational Intelligence

The tactical/operational intelligence program addresses the need to achieve the greatest impact from investigative resources by fully exploiting information available to DEA.

This activity is particularly challenging because of the vast amount of information which must be collected, collated, analyzed and disseminated in a timely manner. This information is sometimes conflicting and links between events and individuals involved in the drug traffic are not readily apparent. To develop meaningful actionable drug intelligence, the data is selectively and carefully analyzed. Analysts develop intelligence file reviews (which consist of all available data on a particular violator), identify co-conspirators and their roles in an organization, identify modus operandi, analyze seized documents and telephone tolls, debrief cooperating individuals (CI's), develop investigative leads, and recommend the initiation of SFIP's to fill operational intelligence gaps. The extensive use of ADP systems to manage and analyze information is critical to this program.

Analysts provide assistance to case agents and Assistant U.S. Attorneys through the management, organization and graphic portrayal of analyzed information for grand jury hearings. Following indictment, analysts continue to refine their analysis of new information, prepare association charts and often provide expert testimony in court.

Financial Intelligence

The financial intelligence program focuses domestic and foreign resources on the fiduciary aspects of narcotics traffic. The financial ramifications from international illicit drug sales are enormous. They include (1) the likelihood of significant capital flight from countries such as the United States, (2) drug financed corruption in source or producing countries, and (3) the creation of offshore havens through which significant amounts of the world's drug proceeds either pass or are permanently held. Many countries do not yet fully recognize these problems, which makes it sometimes difficult to collect financial intelligence.

Domestically, the DEA financial intelligence program encourages law enforcement personnel to increase the use of existing laws to obtain documentary evidence and intelligence on the flow of drug-related currency, to identify major money laundering methods, and seize all assets derived from the profits of drug trafficking.

Using provisions of the Comprehensive Crime Control Act of 1984 and data provided by the Bank Secrecy Act, financial intelligence analysts track drug currency to assess the economic impact on consumer, transit, source and "haven" countries. Foreign governments and "haven" countries, in particular, are being encouraged to enter into mutual legal assistance treaties and agreements and to enact asset forfeiture legislation similar to U.S. laws.

These activities complement efforts to deprive narcotics traffickers of their drug-related assets, immobolize major trafficking organizations and disrupt drug trafficking.

1005

The El Paso Intelligence Center

The El Paso Intelligence Center (EPIC) is a multi-agency facility staffed by nine Federal agencies. It was established in 1974 to facilitate the exchange of drug intelligence among law enforcement agencies and to provide law enforcement agents with immediate responses 24 hours a day, seven days a week to inquiries dealing primarily with drug, alien and weapon trafficking.

EPIC accomplishes its mission through the Watch and Analysis Sections. These sections are staffed by experienced investigative and analytical personnel drawn from the nine Federal agencies. The Watch concentrates primarily on two areas: (1) responding to inquiries regarding individuals suspected of committing crimes; and (2) placing lookouts with appropriate agencies on suspect individuals, vehicles, vessels and aircraft.

The Analysis Section integrates Watch activity with all investigative reporting from participating Federal, state and local agencies and provides law enforcement officials with current intelligence assessments. In addition, the section uses the Watch intelligence and investigative reporting to produce Special Reports concerning criminal organizations, concealment techniques, smuggling routes and other drug-related topics.

EPIC serves as the sole repository and analytical exploitation center for inter-agency, high-frequency radio interception. This activity provides valuable tactical data including real-time, geo-locational data on air and maritime smuggling vehicles and high-validity leads in long-term investigations. The EPIC Watch provides tactical and operational intelligence, and the EPIC Analysis staff provides the long-term research and analysis.

During 1987, DEA is planning to utilize $7,500,000, provided as part of the 1987 appropriation, to construct a new facility. The new facility will be built at Ft. Bliss, Texas.

1006

Accomplishments and Workload:

Strategic Intelligence

The Strategic Intelligence program provided geographic expertise, assessments, estimates, and alerts on drug cultivation, production, smuggling, and availability trends to foreign, Federal, state, and local authorities.

- Published recurring reports: The Monthly Digest of Drug Intelligence and the Quarterly Intelligence Trends. These are global in scope, with incisive analysis and reporting of the most significant developments in international narcotics trafficking. The Office of Intelligence also published the annual Narcotics Intelligence Estimate, the National Narcotics Intelligence Consumers Committee compendium of world-wide illicit drug cultivation, production, and smuggling trends and projections.
- Published the Worldwide Drug Assessment: Threat to the United States, which was used to formulate the national strategy for prevention of Drug Abuse and Drug Trafficking.
- Published special reports and country profiles regarding drug trafficking in countries of Latin American, Southeast Asia, Southwest Asia, and the Middle East and Africa.

- Initiated a new bi-weekly report, the Hat Trick Intelligence Summary, in support of the National Narcotics Border Interdiction System (NNBIS) operations underway in the Caribbean. With the shift of enforcement focus on trafficking westward, this publication series became the Mexico/U.S. Trafficking Assessment.

Tactical/Operational Intelligence

The Tactical/Operational and Financial/Special Intelligence programs provided support to investigations directed against high-level traffickers, their organizations and financial assets, and prepared briefing papers, congressional testimony and position papers for use by DEA management. Support was also provided to the Organized Crime Drug Enforcement Task Forces (OCDETF) and the National Narcotics Border Interdiction System. Other accomplishments include the following:

- Intelligence support to Operation STOP PROP/BLAST FURNACE, the bilateral anti-drug effort in Bolivia, included: a list of 400 airstrips and photographic information believed to be associated with cocaine trafficking; Headquarters and field division TDY analysts who assisted in violator and operational targetting; and direction to joint agency intelligence collection, analysis and dissemination.
- Researched and prepared in-depth analysis of DEA investigations from 1981 to 1985 detailing the extensive amount of diazepam (valium) diverted from licit channels in Canada, processed in clandestine labs into quaaludes and smuggled in the United States. This study provides the basis for an impending request from the United States Government to the Canadian Government to impose stringent controls on diazepam importation, production and distribution.

Financial Intelligence

- Encouraged and provided oversight for the development of the field asset removal teams program.
- Provided guidance and assistance to numerous foreign countries in the development of asset seizure and anti-money laundering legislation and encouraged arrangements whereby DEA will have access to offshore financial records.

El Paso Intelligence Center

The El Paso Intelligence Center continued to provide an intelligence clearinghouse for drug law enforcement information and comprises a unique form of continuous intelligence support to officials at the Federal, state and local levels:

- During 1986, there were 363,580 intelligence transactions. In 1986, EPIC lookouts were instrumental in seizures of 175 kilograms of heroin, 5,980 kilograms of cocaine, 1,607,912 pounds of marijuana, 62 aircraft, 100 vessels and $525,000 in currency.
- EPIC continues to provide 24-hour-a-day support and coverage to several prominent enforcement activities, particularly the Caribbean-based interdiction operations as well as the Organized Crime Drug Enforcement Task Forces and the National Narcotics Border Interdiction System.

1007

Item	1985	1986	Estimates 1987	1988
Intelligence reports	800	855	900	900
Special field intelligence programs	10	21	21	21
Information responses	17,000	17,000	17,000	17,000
El Paso Intelligence Center transactions	354,577	363,580	375,000	385,000

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount
DEA laboratory services	223	202	$12,740	223	218	$12,809	223	218	$12,809	...	...	...

Long-Range Goal: To provide required laboratory support to ensure maximum achievement of enforcement, intelligence and diversion control activities.

Major Objectives:

To provide timely analysis of DEA and FBI drug evidence.

To provide expert testimony in court.

To provide field assistance (clandestine laboratory investigations and seizures and crime scene searches for trace drug evidence) to DEA and FBI special agents.

To assist DEA and the FBI in the development of conspiracy cases, the monitoring of foreign drug distribution patterns, and the determination of origin of controlled substances in illicit channels by conducting in-depth and signature analyses.

To provide information on the retail level price and availability and the domestic distribution patterns of heroin through signature analysis of Domestic Monitor Program evidence. In 1987, the Domestic Monitor Program will be partially replaced by the SENTRY program which will provide information on the availability and domestic distribution patterns of substances other than heroin, e.g., controlled substance analogs.

To conduct ballistics examinations on DEA and FBI evidence (tablets, capsules, and papers).

To improve forensic capabilities of law enforcement agencies worldwide.

To assist other Federal agencies in forensic drug examination.

To conduct research on new and improved methods of analytical techniques and to monitor the emergence of new drugs of abuse.

Base Program Description: This program addresses support for the enforcement, intelligence, and diversion control activities of DEA. Enforcement activities are supported through: the timely analysis of drug evidence by forensic chemists and presentation of expert testimony in court; providing field assistance to agents on clandestine laboratory investigations and crime scene searches for trace drug evidence; and conducting ballistics, in-depth and signature analyses for the development of conspiracy cases. Intelligence activities are supported through the heroin signature analyses to determine the origin of controlled substances and foreign drug distribution patterns and through signature analyses of Domestic Monitor Program evidence to monitor domestic drug distribution and price/purity data at the retail level. Diversion control activities are supported through ballistics examinations (comparison of microscopic tool markings with those of authentic/reference material) of tablets, capsules and papers which provide information on illegal distribution of licitly produced drugs to identify possible illegal activity by CSA registrants, and through field assistance in conducting inspections of CSA registered firms.

This program also provides forensic drug laboratory support to the FBI, which has concurrent jurisdiction for the enforcement of Federal drug laws, and provides support to other Federal law enforcement agencies that do not have their own forensic drug examination capability or which require the special expertise of DEA forensic scientists. Additionally, other Federal and foreign drug law enforcement officials will receive the training and assistance required to complement and enhance the mission of DEA.

The expeditious analysis of drug evidence submitted by DEA and FBI special agents and the presentation of expert testimony in court is essential to the successful investigation and prosecution of drug law violators and is therefore the primary purpose of the DEA laboratory system. The timely analysis of drug evidence is an integral aspect of DEA's compliance with the Speedy Trial Act of 1974 and Comprehensive Crime Control Act of 1984.

Additionally, the DEA laboratory system, which is comprised of seven field laboratories and the Special Testing and Research Laboratory, assists other Federal agencies such as the Coast Guard, Naval Investigative Service, Army Criminal Investigative Division, Marine Corps, National Park Service, Immigration and Naturalization Service, and General Services Administration through the analysis of drug evidence, provision of court testimony, and training.

DEA forensic chemists also provide field assistance (clandestine laboratory investigations and seizures and crime scene searches for trace drug evidence) to DEA and FBI special agents and field support to DEA diversion control investigators.

The DEA Laboratory Services program utilizes the System to Retrieve Information from Drug Evidence (STRIDE). This is a series of inter-related computer systems designed to support enforcement and intelligence operations through the processing of data generated at the DEA laboratories. STRIDE provides data regarding evidence examined at the DEA laboratories to produce information which is used to determine trends in drug abuse and trafficking of narcotics, to warn of new drugs of abuse, and to identify common sources of illegal drugs. This System is also used to

1009

provide information on illegal distribution of licitly produced drugs, data on the availability of drugs on the street, statistics on drug removal, and a system for monitoring the location of evidence. Information from the System is provided to local, state, Federal, and foreign law enforcement agencies. STRIDE is also a management tool to assist in measuring laboratory effectiveness and allocating resources as well as a mechanism of internal controls to monitor evidence inventory. The subsystems of STRIDE are: laboratory analysis program, ballistics program, laboratory manpower utilization program, and evidence inventory program.

DEA's laboratories are called upon, with increasing frequency, to provide information on the retail level availability of illicit drugs and trends of the United States illicit market. The Domestic Monitor Program requires subjecting street level heroin samples to source analysis, as well as qualitative and quantitative analysis to obtain price/purity data. This approximately triples the time of analysis for each exhibit. However, strategic intelligence is provided on area of origin determinations in addition to retail level availability data.

The DEA and FBI laboratory systems each have separate functions and unique expertise in the field of forensic sciences. When used together for the scientific analysis of evidence in drug investigations, they provide an expanded capability to the enforcement activities of both agencies' analysis. The DEA laboratories conduct qualitative and quantitative chemical analysis on drug evidence and the FBI laboratory provides numerous criminalistic examinations which are performed on the non-drug evidence resulting from these investigations. The individual expertise of the two laboratory systems complement one another and result in improved efficiency for the overall drug law enforcement effort.

Accomplishments and Workload: During 1986, DEA laboratories analyzed 31,689 exhibits of evidence (of which 2,979 exhibits were for the FBI and 3,613 were for combined FBI/DEA OCDETF efforts), testified in 776 trials, conducted 712 ballistics examinations, and identified 24 new illegal prototypes of tablets and 15 of LSD blotter paper that have entered the illicit drug traffic. Additionally, 78 logos have been added to the new packaging logo file which was recently added to the ballistics data base to identify common distribution patterns of illegal drugs through characteristic packaging markings.

During 1986, DEA laboratories also provided field assistance on 246 occasions, conducted 707 Heroin Signature analyses and 175 Domestic Monitor analyses and developed and published or presented 7 new methods for the identification and/or analysis of drugs for the international forensic community. Work is continuing on the identification of new controlled substance analogs.

Item	1985	1986	Estimates 1987	Estimates 1988
Laboratory exhibits analyzed	29,502	31,689	33,300	34,500
Ballistics examinations	720	712	1,107	1,107
Heroin signature analyses	929	707	1,093	1,143
Court appearances	662	776	825	875
Field assistance on clandestine laboratory raids	208	246	240	255
Average evidence turn-around time (days)	13	13	13	13
Domestic monitor program exhibit analyses	225	175	200	200
Issues of Microgram	12	12	12	12

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
DEA training.....	42	40	$4,846	39	37	$5,277	39	37	$5,277	...	...	...

Long-Range Goal: To establish and improve the capabilities of DEA personnel to carry out their responsibilities through specialized training.

Major Objectives:

To provide high quality entry-level training for special agents, diversion investigators and intelligence analysts.

To provide high quality advanced, in-service and specialized training to investigative and other personnel in response to all identified needs.

To provide high quality executive, mid-level management and supervisory training for appropriate agency officials.

To provide high quality foreign language training for all DEA personnel assigned to overseas and border offices in need of such training.

Base Program Description: During 1985, DEA's training center and programs were relocated from the Federal Law Enforcement Training Center (FLETC) in Glynco, Georgia, to the FBI's Training Academy in Quantico, Virginia. This collocation of training is a continuation of the interaction between the two agencies and results in a more effective Federal drug enforcement capability.

The skills and knowledge required to implement the DEA mission must be developed through specialized training. DEA meets these requirements through the following training programs:

Recruit Training

Specialized entry-level training for DEA core staff ensures the availability of well-trained personnel to perform the functions mandated to DEA by the Controlled Substances Act of 1970 and the Comprehensive Crime Control Act of 1984. The training consists of the most innovative techniques known to counteract sophisticated drug trafficking. Drug identification, interrogation, informant handling, undercover techniques, firearms, and many other essential subjects are mastered at this basic level:

- The entry-level agent curriculum was increased in 1985 to 13 weeks, due to the introduction of new subjects such as computer and financial training, and the need to adequately prepare new agents for the increasing threat of violence, terrorism, and the additional complexity of narcotic investigations.
- Because of the broadening of authority and responsibility under the Comprehensive Crime Control Act of 1984, Diversion Investigator training was increased to 8 weeks in 1985.

- The growth in DEA use of intelligence analysts has resulted in a two-phase, 4-week entry level intelligence training program to better accommodate integrating analyst trainees into their work. Phase I training familiarizes new analysts with drug enforcement responsibilities and methods. Phase II provides the more specialized operational skills.

Advanced and In-Service Specialty Training

Operational personnel need to receive training at all levels of career progression to perform the specialized tasks commensurate with that particular phase of their development:

- A variety of refresher and advanced programs are offered to special agents, diversion investigators, intelligence analysts and chemists through government and non-government sources. For instance, asset removal training requires instruction from representatives of banking, real estate, U.S. Attorneys, and the FBI, as well as DEA's most experienced investigators in this field. Use of a variety of instruction sources is essential to provide a full understanding of financial transaction and money laundering activity such as collections, letters of credit, wire transfers, and associated fiduciary matters. This powerful investigative approach is proving effective against the highest-level violators.
- Marine Law Enforcement training, which requires both FLETC and DEA instructors, provides the capability to more effectively and safely impact the smuggling of drugs by boat through coastal waterways. This training will continue at FLETC for the foreseeable future due to equipment and water proximity requirements.
- Clandestine laboratory training enhances DEA's effectiveness in eliminating the illegal manufacture of dangerous drugs. "Hands-on" instruction is provided by DEA specialized chemists and is reinforced by the synthesis of controlled substances in a clandestine laboratory.
- The Office of Training instructors/supervisory staff receive two weeks of training, to include Methods of Instruction and EEO counselor training, which certifies them as qualified agency instructors. Instructor training is also provided to the divisional training coordinators who conduct DEA in-service training in the field as well as state and local police training.
- The Individual Terrorist Awareness program is designed to enable DEA personnel to recognize and counteract narco-terrorists and terrorist oriented organizations. The instruction is presented by specially qualified DEA instructors with the assistance of recognized experts from outside the agency.
- To ensure that DEA's workforce possesses specialized skills, training is also provided in many technical skills, investigative aids, polygraph examining, covert transponder installation, firearms instructor training, advanced law enforcement photography, and intelligence collection and analysis.
- In-service training has also been developed to provide continuous exposure to modern techniques concerned with agent safety and survival.

Management and Supervisory Training

The level of performance required of DEA program managers and supervisors to achieve effective and efficient operations calls for a high degree of expertise and knowledge in management science.

- DEA requires that all newly assigned DEA supervisors receive appropriate management training. The supervisory training as well as the management training at both the mid-level and executive level is provided in Washington, D.C.

1012

- The Office of Training also oversees and controls all professional, administrative, technical and clerical training (PATCO) provided to employees throughout DEA. This training consists of many diversified subject areas and comes from a variety of sources as the employees functions and responsibilities require.

Foreign Language Training

DEA personnel need to be fluent in the language of the countries in which they operate in order to effectively communicate and coordinate the employees' liaison duties. To meet this objective, DEA requires language training prior to the employees being assigned to a foreign post-of-duty, or working in a post-of-duty proximate to a foreign language country.

Accomplishments and Workload:

- In 1986, DEA completed the transfer of training operations from Glynco, Georgia to Quantico, Virginia, and commenced eight basic agent classes, graduating 331.
- DEA trained three classes of new diversion investigators, graduating 88.
- DEA trained one intelligence analyst class of 37 students during 1986.
- Effective with the second quarter 1986, all new special agents received training in asset removal techniques in their basic entry level training program.
- Core in-service training programs were held for 5,217 participants in 1986. This figure included 42 participants in executive management and supervisor schools and 111 in foreign language training. Non-core employees provided in-service training included 62 in foreign languages and 37 in secretarial schooling.
- General and specialized in-service training was given to 708 professional/administrative and technical/clerical employees in 1986.
- DEA trained 815 employees in DEA information systems in 1986.
- During 1986, DEA's audiovisual training staff produced 9 training video tapes for issuance to the field.

Item	1985	1986	Estimates 1987	Estimates 1988
Total entry-level core students	319	456	450	450
Foreign language training students	104	151	200	220
Management and supervisory training	138	148	150	150
Employee development--PATCO students	1,430	708	750	800
In-service core training	4,438	5,217	5,300	5,300
Automated information system training	430	815	1,000	1,000
Students trained	6,859	7,495	7,850	7,920

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Research, engineering and technical operations	253	233	$50,803	253	243	$37,097	281	265	$41,093	28	22	$3,996

Long-Range Goal: To support DEA enforcement and intelligence programs through research, development, procurement, maintenance and management of technical investigative equipment, and provision of direct technical assistance to ensure maximum achievement of the agency's mission.

Major Objectives:

To increase the productivity of staff by providing quick-reaction support to current field operations to meet increasing demands for timely and high quality technical evidence and investigative support.

To increase the efficiency of agency field operations by the development of new or improved devices, systems plans and procedures that require applied scientific research and engineering development.

To provide scientific and technological information, training, coordination and liaison services for DEA and the national and international drug law enforcement and intelligence communities.

To increase the productivity and efficiency of scientific and technical personnel by providing advanced scientific instrumentation, electronic laboratories, testing equipment and data processing equipment.

To provide high quality and timely radio communications capabilities responsive to all operational and administrative requirements.

To provide high quality and timely technical and investigative assistance and support to all operational and administrative requirements.

To acquire, maintain and operate an aircraft fleet with sufficient capabilities to meet all operational requirements.

To acquire a fleet of high quality motor vehicles which is responsive to all operational and administrative requirements.

Base Program Description: The Research and Engineering program element addresses the problem of providing new technology and scientific support to the operational elements of DEA. As law enforcement has become more effective, there has been an ongoing response on the part of criminals to employ advanced technology and sophisticated countermeasures to protect their criminal enterprises. Various improvements in documenting telephone utilization and electronic surveillance and tracking aids have greatly increased agent productivity and have become essential to assure high conviction rates for drug prosecutions.

The base program described in this package provides the studies, analyses, development, testing and evaluation of communications, surveillance and agent protective systems and processes to provide direct field investigative support for special investigative support applications. Some of the areas included are: tracking and locating devices for vehicles; surveillance equipment; communication systems planning; and agent protective equipment. The clients served by the Research and Engineering program element are primarily DEA's special agents, Planning and Inspection Division, Operations Division, and the Office of Intelligence as well as other Federal, state, local and foreign law enforcement agencies.

The DEA and the FBI have established a joint technology review group to ensure that critical law enforcement research and development activities are being pursued and that both agencies are not duplicating their efforts. In addition, all DEA research and engineering activities are coordinated with all other law enforcement, intelligence and defense community technical activities to maximize the benefits of previous research and engineering, to negate any potential for duplicative efforts and to identify areas for joint or cooperative ventures.

As a result of the joint DEA/FBI technology review process, the following areas of agency responsibility have been assigned:

Technology Area	Lead Agency
* Fingerprint Scanning for ADP Security	DEA
* Remote Sensor Monitoring	DEA
* Satellite Communication	DEA
* Tape Processing	FBI
* Video Technology	DEA
* Remote Switches	Joint
* Audio Radio Frequency	Joint
* Dialed Digit Recorder Technology	Joint
* Microprocessors	Joint
* Telephone Technology	FBI
* Recording Devices	FBI
* Pager Communication	Joint
* Power Sources	FBI
* Antennas	Joint

The Technical Operations program element is designed to make optimal use of DEA's limited technical equipment, aircraft and personnel resources in a manner that allows DEA investigative personnel to maximize their efforts, enhance their personal safety, and accomplish the agency's mission. DEA technical personnel and their counterparts with the FBI are working closely through the Organized Crime Drug Enforcement Task Forces, meetings, study groups and other means to ensure that technical resources of each agency are being used to provide maximum support to the Federal drug law enforcement effort. As one example, FBI and DEA technical operations programs have and will continue to issue joint procurement documents to ensure maximum benefits and cost savings to the Federal Government.

1015

The radio communication/investigative equipment support is accomplished by a group of special agents and technical personnel assigned to headquarters and domestic and foreign field offices. The special agents and technical personnel assigned to the field program fall under the direction of a Technical Operations Officer. The technical officer ensures that available equipment and personnel are strategically and rapidly deployed to best support law enforcement activities. Because of the limited quantities of equipment and personnel resources, special agents and technical personnel must travel extensively and equipment must be rapidly shipped from office to office to support DEA investigations.

Radio Communications

Tactical radio communications are provided by a nationwide ultra-high frequency (UHF) law enforcement radio system of mobile, portable and fixed station radios. The DEA UHF radio system provides support for surveillance, license plate queries, suspect information queries and emergency or potentially dangerous situations. At present, only seven DEA divisions and the Quantico, VA training facility are operating in a voice privacy mode. DEA will be converting all of its domestic radio communications to voice privacy as part of a combined radio initiative, which includes DEA, the FBI, and the U.S. Marshals Service. Long-range communications support is being accomplished by a combination of DEA-owned voice privacy equipped mobile and base station high frequency single side band (HF/SSB) radios and the contracted services of Rockwell Collins in Cedar Rapids, Iowa. The Collins control center in Cedar Rapids provides support 24-hours a day for DEA's long-range communications. DEA also provides long-range communications to designated overseas offices, EPIC and Headquarters through the use of a satellite communications network known as SATCOM. The SATCOM system provides both improved communications and security for our agents assigned to often volatile posts of duty in Central and South America.

Investigative Equipment

A wide range of technical investigative equipment is available to support and enhance investigations, including video surveillance systems, audio transmitting devices, audio recorders, Title III (wiretap) devices, long-range tracking devices and others. These investigative aids are used to improve DEA's investigative capabilities to provide greater evidence for Federal prosecutors and to provide greater safety for DEA personnel.

Air Program

The aviation program is structured to support five operational areas, the western, southwestern, northern, southeastern regions of the U.S. and overseas areas, with each supervised by an area supervisor. It is the responsibility of each area supervisor to direct the activities of all special agent/pilots physically assigned to his geographic area. This includes reserve pilots during their involvement in flight operations. The supervisors in turn report to and receive supervision from the Deputy Chief Pilot. The overall responsibility for the management of the air program rests with the Chief, Aviation Unit, DEA Headquarters, Washington, D.C.

DEA's aviation program consists of 64 operational aircraft, including five twin-engine turbo prop fixed wing aircraft and one twin-engine helicopter to support long range over-water intelligence gathering missions. Two of the twin engine turbo props are stationed in Addison, Texas, to support DEA's worldwide mission; two turbo props are permanently stationed in Panama City, Panama, to support Central and South American operations; and, one turbo prop is stationed in Miami, Florida, to support undercover and intelligence gathering missions in that region. The twin engine helicopter is now stationed in Nassau to support Operation BAT. Additionally, procurement action is now underway for the purchase of a helicopter for assignment to Hawaii to support marijuana eradication operations.

The DEA air program provides support by the following means: air-to-surface surveillance of drug investigations, undercover aircraft and pilots; air-to-air surveillance of aircraft suspected of being used in illegal drug activities; as a communications command and control relay station for remote areas or widely dispersed investigations; transportation of investigative teams, equipment or evidence for time critical operations; transportation of personnel and equipment to remote sites not regularly serviced by commercial carriers; ferrying of aircraft and flights to develop or modify drug enforcement methods. Other functions for which DEA aircraft are utilized include recurring training; evaluation of safety procedures including cockpit workload and coordination, initial pilot qualification checks, and aircraft performance evaluation following maintenance or repair.

With the resources provided as part of the 1987 supplemental, DEA is authorized to purchase 3 replacement helicopters, 4 replacement single engine fixed wing aircraft, 2 new twin engine turbo prop fixed wing aircraft, and a new medium lift helicopter. The new medium lift helicopter is specifically authorized for use in Hawaii. Current plans call for delivery of this helicopter in February 1987.

Motor Vehicles

DEA has been following a six-year/60,000 mile motor vehicle replacement standard for agency automotive requirements. Vehicle resource needs are based upon accepted ratios of vehicles to DEA staff ceilings as follow: One vehicle for each field Special Agent, one vehicle for every two Diversion Investigators and variable ratios for Task Force staff (approximately 2:3 for state and local staff), EPIC, FLETC and Headquarters. Based upon the program criteria, the required fleet should approximate 3,000 vehicles. DEA would normally replace 489 vehicles of the currently projected motor vehicle fleet. An additional 36 vehicles are also required to support new agent positions for 1988.

DEA places approximately 250 seized vehicles per year into service. The basic criteria for placing a vehicle into service is its relative operating condition. Of the 250 vehicles, approximately 30 percent are other-than-standard sedans associated with undercover use. The remainder of the vehicles are basically a cross section of the general civilian vehicle population.

Accomplishments and Workload:

Research and Engineering

Research and Analyses

This work element attempts to improve the collection of scientific data by DEA, and to provide analyses of DEA plans, programs, and systems by conducting system analyses, operations research, prototype development and operational evaluations. Further, other analytical methodologies and scientific and technical information are applied where appropriate. Training and liaison services are also provided.

a. The earth orbiting satellite radio communication system (SATCOM) was formally turned over to DEA field operational personnel in 1984 for use and control. The system consists of a base station at the El Paso Intelligence Center (EPIC), eight portable radios deployed in the field, and five telephone remote terminals to be used by various headquarters elements. Developments are continuing on SATCOM II, an improved, second generation system.
b. Continuing engineering support has been provided to the Office of Information Systems on the Text Analysis System.
c. The development of the automated currency reader by the U.S. Customs Service has been closely followed by DEA. It is our intention to enter into contractual arrangements by means of a single requirement document after all design problems have been solved by both U.S. Customs and the FBI.

d. High altitude photography of the State of Florida was obtained from USDA and was evaluated for application to DEA's investigative requirements. It was found that clandestine airfields could be detected and located from the photographs.
e. An evaluation of medium gain, covert, UHF mobile radio antennas was completed. This effort identified potential candidates for DEA operational use and defined the technical limitations of this concept.
f. A research program was completed which resulted in a more accurate and valid method for estimating heroin user prevalence. These estimates will be used in future research efforts as well as for congressional and OMB queries.
g. Technical support was provided to the Office of Information Systems for the procurement of a system for Office Automation. This support included contractual procedures, and software and hardware evaluation and selection.
h. New initiatives include: examination of the means by which a video disc storage system can be used to augment the development of the Office Automation effort; coordination with the Defense Intelligence Agency in the product evaluation of a second generation fingerprint scanner; an experimental program with the USAF to establish an aircraft interdiction program of activities to evaluate and recommend voice privacy devices for selected components of DEA's radio system; an evaluation of various methods of disposal and destruction of hazardous materials seized from clandestine cocaine laboratories; an evaluation of the investigative file system in DEA and the application of automation to file maintenance; and the application of new techniques in photo enhancement to define areas of interest to DEA.

Technology Development

Technology development involves the application of new and improved technology and procedures to increase the efficiency of agency field operations by conducting applied scientific research and engineering development necessary to meet long-term operational requirements. Major projects underway are discussed below:

a. Satellite Tracking. The purpose of the satellite tracking project is to develop systems capable of worldwide tracking of vessels, vehicles, aircraft and containers. The initial system which includes Local User Terminals capable of providing position location was operational in 1981. New transmitters were delivered during 1982. During 1984, the Local User Terminals were upgraded for better position location, transmitters were modified for a new satellite, acoustic-coupled data terminals were installed at EPIC and Washington, D. C. and a transmitter test set was procured and tested. During 1985, new, smaller transmitters were delivered. In 1986, new, remotely operable Local User Terminals will be installed in the Western Hemisphere; additional transmitters will be delivered, and development efforts will be initiated for improved transmitters.
b. Search and Rescue. In 1986, a search and rescue program was initiated which will provide transmitters to DEA pilots and other special agents operating in remote areas. The Search and Rescue Satellite (SARSAT) system will be used to determine transmitter location and initiate appropriate action.
c. Automatic Phone-number Recording System (APRS). The manual processing of DEA dialed digit recorder tolls is inordinately expensive in terms of manpower. The purpose of this project is to automate the data collection from up to three (3) dialed digit recorders, producing the data on cassette tape and storing in electronic memory for MODEM transfer to the M-204 Data Base Management System (DBMS). Engineering and operational testing was completed during 1983. A specification for production systems and production contract was awarded in 1984. Delivery of 22 production systems is scheduled for first quarter 1987.

1018

d. Direct Automatic Phone-number Recording System (DAPRS). The DAPRS significantly reduces the manual processing of dialed digit recorder tolls by processing data from up to 16 dialed digit recorders, transmitting this data over telephone lines into the DEA M-204 DBMS. Engineering and operational tests of the prototype DAPRS began in 1984 and are continuing.

e. Enhanced Dialed Digit Recorder. An operational requirement which combines the features of a dialed digit recorder and computerized data collection, storage, and analysis system has been identified. When developed, this system will reduce the need for dialed digit recorders, including APRS/DAPRS systems. A contract award is anticipated in 1987.

f. Toll Report Analysis System (TRAS) Study. The objective of this study is to investigate the feasibility of developing a low cost, user friendly, computer system to be used by special agents and intelligence analysts as a regionally distributed data base system. This system, if realized, could complement the Enhanced Dialed Digit Recorder system. A contract was awarded in early 1986 for a feasibility study which will be completed in late 1986.

Technical Services

The objective of this work effort is to increase the quantity and quality of investigative evidence by providing quick-reaction technical support for application on current investigations, and to support ad hoc requests for short-term technical development and special engineering services. The output of this program is directed towards more efficient utilization of enforcement resources by minimizing the staffing required to conduct investigative operations, and improving the quality and quantity of evidence and protection of agent personnel.

Requests for Quick Reaction Support (QRS) are normally originated by a case officer and require a response time from several hours to several days to complete. These efforts are usually conducted in-house and take priority over other longer term research and engineering projects or tasks. In direct support of field operations, QRS includes the design and fabrication of special devices and transmitters such as the concealment of transmitters in assorted packages, and audio tape recording enhancement which significantly enhances the studio intelligibility of evidence tapes. Off-the-shelf hardware or pre-existing techniques and materials are used exclusively for these efforts.

The direct application of technology to specific short-term tasks is also accomplished under the technical services objective. These efforts consist of applying state of the art techniques to the development of surveillance equipment and systems. Tasks are accomplished using a combination of in-house and contract personnel and require from one to eight months to complete. Examples of this effort include the design, fabrication, test and evaluation of: special timers and motion sensors; audio systems secreted in common packages such as cigarette packs; and video systems packaged and camouflaged in such a manner as to make their presence difficult, if not impossible to detect.

Technical Operations

The Technical Operations program element continues to play a vital role within DEA. Technical/investigative, radio communications, air support and polygraph support are actively sought to support DEA's most complex investigations and are now routinely used in all phases of enforcement operations to enhance investigations and provide a safer environment for DEA's law enforcement personnel.

1019

In 1986, Technical Operations program element personnel and equipment continued to participate in the South Florida Task Force, the OCDETF, Operations TRAMPA, BAT, STOP PROP, Marijuana Eradication Program, and others providing:

- air support for the identification and location of suspect vessels and aircraft;
- tactical and long range communications;
- polygraph examinations;
- video, Title III and other investigative aids; and
- boats to support the marine requirements of these operations.

All the activities have been coordinated with the other Federal participants, including the U.S. Customs Services, the U.S. Coast Guard, the FBI and U.S. military elements.

Satellite tracking devices (SATTRAC) have become an important investigative aid in the location of illicit drugs being shipped to the United States and of precursor chemicals being shipped to drug source countries. The use of SATTRAC devices in relation to the shipment of precursor chemicals has resulted in the location, seizure and destruction of major cocaine conversion laboratories in South America. Much of the success of DEA's CHEMCOM operation is directly attributable to the use of SATTRAC.

The continued installation of satellite communications equipment in the Caribbean area and Central and South America has provided DEA personnel in those areas of the world with a reliable and effective means of communication with EPIC and DEA Headquarters.

In early 1986, voice privacy equipped radio systems were installed in DEA field divisions located in Seattle, San Francisco, Los Angeles, San Diego, Miami, Atlanta, and Washington D.C. and at DEA's Quantico, Virginia, training facility. DEA is now participating in a "test-bed" radio program in Boston which combines the radio communications requirements of the FBI and DEA. With the resources provided as part of the President's 1987 budget request ($6,500,000), DEA will proceed with the conversion to voice privacy of the DEA offices in the northeast corridor. This will include predominantly the Boston and New York field divisions.

The number of air missions flown by DEA totalled 5,379 in 1986 involving 14,255 flight hours for our special agent/pilots. As a direct result of air operations, the following accomplishments were realized:

- 25 clandestine laboratories were seized. In many instances, aircraft were the only effective means of detection and surveillance of these laboratories because of their location in remote almost inaccessible areas.
- 30 aircraft, 23 vessels, 409 vehicles and $57.7 million were seized in 1986.

In 1986, 243 polygraph examination/authorizations were granted and over 550 examinations were performed to support DEA investigations (80 percent of the examinations were performed in support of enforcement operations). The polygraph continues to be an important tool for supporting major drug enforcement operations.

1020

Program Changes: DEA requests 28 positions; 22 FTE workyears; and $3,996,000 for expansion of the technical and investigative equipment support program. The request includes $2,000,000 for the purchase of technical/investigative equipment which is simply not available now. This initiative fulfills an integral part of DEA's 1988 Strategic Plan, that of substantially increasing the special agent and non-agent personnel who are technically trained and possess the skills that are required to operate and maintain much of DEA's technical investigative equipment.

This request is made up of two distinct areas: personnel and technical/investigative equipment. The personnel segment of this request includes 10 special agents, 14 investigative assistants who serve as radio/electronic technicians, and 4 support personnel. As drug violators continue to become more sophisticated in the use of counter surveillance techniques and the use of communications and electronic devices, DEA must continue to provide specially trained agents to support and participate in investigations. Requested special agents and technicians will be trained in drug law enforcement application, adaptation and installation of technical devices intended to enhance DEA investigations and provide greater safety for DEA agents.

Agent Staffing Increase

The 10 agents will perform court authorized covert entries of businesses, residences, vehicles, vessels and aircraft. They will perform covert installations of intelligence gathering devices, e.g., room bugs, video systems, specialized microphones, tape recorders, etc., in conjunction with Title III and major conspiratorial investigations. They will work in an undercover capacity. They will advise other agents on the practicality of using certain types of technical equipment to support an investigation and recommend different approaches to improve the investigation based on their unique expertise as both Federal law enforcement officers and technical specialists. They will also individually adapt technical equipment to meet the specific needs of an investigation.

1021

Technical Staffing Increase

The 14 investigative assistants (technicians) will be assigned to DEA's domestic and overseas offices. DEA currently has a total of only 27 investigative assistants to support the communications and investigative equipment needs of the entire agency. The technical personnel will be trained in the installation, operation and maintenance of both radio communications and investigative equipment. These duties will include the installation, repair and operation of all types of radio equipment utilized by DEA including UHF, VHF, HF/SSB and satellite communications and the voice privacy devices that operate with these systems. They will also have expertise in the operation, installation and repair of DEA's investigative devices such as Title III equipment, video surveillance devices, covert transmitters, and tracking devices. They will work closely with DEA's technical agents in providing sophisticated technical support for the agency's major conspiratorial investigations.

The agents and technicians are needed to ensure that all technical equipment and devices are installed, used and maintained in a manner that is supportive of DEA's objectives.

Technical Investigative Equipment

DEA requests $2,000,000 in 1988 for the procurement of new and replacement investigative equipment to support and enhance DEA operations. Technical investigative equipment serves a two-fold purpose within DEA. The first being the enhancement of this Administration's law enforcement capabilities and the second being the improvement of security and safety for our law enforcement personnel.

In order to initiate and complete complex conspiratorial investigations, DEA utilizes investigative equipment in every phase of an investigation including the prosecutorial stage. Audio and video tapes and other electronically gathered evidence documenting illegal activities often provide the conclusive evidence needed by Federal prosecutors to gain convictions of drug violators.

Of equal importance, technical investigative equipment serves to improve the safety and security of agent personnel. For example, an agent wearing a body-worn transmitter can alert back-up personnel when a dangerous or potentially life-threatening situation develops. The personnel monitoring these transmissions can then respond in an appropriate and expeditious manner to protect the DEA undercover officer.

The requested technical investigative equipment will enable DEA to purchase approximately 20 percent of the investigative devices needed to meet DEA's operational requirements through 1988, to meet the levels of equipment listed in DEA's Table of Authorized Equipment and, to replace obsolete, damaged or inoperable equipment. Without increased funding, investigations will continue to be impaired due to the lack of equipment and agents lives could be unnecessarily endangered. Based on operational needs, technological advances and normal wear and tear on equipment, it is anticipated that the $2,000,000 will be a recurring annual requirement for the purchase of technical/investigative equipment.

The following is a breakdown by type of equipment to be purchased at this increased funding level:

Video Equipment, e.g.
- Cameras (color, medium light, low light)
- Monitors (color, black and white)
- Recorders (tabletop, portable, time-lapse, editors)
- Special Application (video transformer cans, video lamps)

Transmitters and Receivers, e.g.
- Covertly Worn Transmitters
- Remote Tracking Devices

- Intelligence Kits
- Relay Kits
- Satellite Transmitters

Audio Recorders, e.g.
- Cassette Recorders
- Covertly Worn Recorders
- Court-Room Systems
- Tape Duplicators

Title III Devices, e.g.
- Pen Registers
- Covert Microphones

Optical Equipment
- 35mm Still Cameras
- Photocopy Kits
- Binoculars
- Night Scopes and Goggles
- "Mug Shot" Cameras

1022

Federal Bureau of Investigation Reimbursement

An increase of $211,000 in funding has been included to reimburse the FBI for direct staffing provided in support and coordination of the Integrated Voice Privacy System under the FBI's leadership.

If the FBI, DEA and U. S. Marshals Service are to work closely in developing this system, then the utmost cooperation is required.

This initiative, while primarily in support of DEA's operational personnel, will impact to some degree on all Federal, state and local law enforcement agencies involved in drug enforcement.

The additional agents and technical personnel will ensure that all DEA technical devices are installed, used and maintained in a manner that is thoroughly supportive of DEA and administration objectives in the War on Drugs. The technical/investigative equipment will be used in support of DEA operations and this contributes to arrests or seizures resulting from such operations.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	Wy	Amount	Perm. Pos	Wy	Amount	Perm. Pos	Wy	Amount	Perm. Pos	Wy	Amount
ADP and telecommunications.....	131	118	$37,929	106	99	$39,191	121	110	$51,608	15	11	$12,417

Long-Range Goal: To provide high quality and timely automated data processing and telecommunications support sufficient to enable maximum achievement of the DEA mission.

Major Objectives:

To support, where applicable, statutory requirements of the Controlled Substance Act of 1970 (Public Law 91-513) and the President's Reorganization Plan Number 2 of 1973.

To increase the value of DEA's enforcement, intelligence and management information through systems integration.

To increase the information systems and technological flexibility needed to respond to DEA's changing environment.

To eliminate technological obsolescence which hampers the delivery of information services.

To increase the productivity in the delivery of information services and the effectiveness of ADP services.

To reduce the costs associated with DEA's ADP and Telecommunication support.

To improve the quality of information within the DEA ADP systems.

To provide for greater exploitation of information in support of DEA's mission.

To provide and ensure security and integrity of DEA's automated information.

To assure ADP availability to meet DEA's mission needs.

Base Program Description: This program provides all ADP and Telecommunication services to DEA on a nationwide and worldwide basis. The Office of Information Systems ensures DEA's information processing needs are implemented in accordance with DEA's long-range plan. The ADP and Telecommunication program provides for the implementation of modern Data Base Management Systems (DBMS), which provide for retrieval capability that can establish relationships between various DEA data bases while also significantly improving the ability to query any file within these data bases. The increased retrieval capability is being made available to a larger number of DEA offices, both domestic and foreign, through expansion and increased sophistication of the DEA ADP, Telecommunication, and Records Communications Systems. The highly flexible nature of DBMS, ease of programming and "user friendly" characteristics provide an increased capability to support routine and new DEA investigative, mission and operational requirements.

The following are brief descriptions of the DEA's major ADP/Telecommunication Systems:

1024

Narcotics and Dangerous Drugs Information System (NADDIS)

NADDIS is the major enforcement support system for DEA. This data base, which consists of about 1,800,000 records on persons, businesses, ships, aircraft and certain airfields, is the centralized index of all DEA investigative reports. NADDIS enables an authorized user to determine the subject's past criminal activity or associations which have been documented by DEA agents, and provides references to the location of further information on the subject of the query. Due to the worldwide, transient nature of illicit drug operations, it is not unusual for a single individual to be documented by DEA criminal investigators in various parts of the world. NADDIS, therefore, provides not only background information on individual subjects of interest to DEA, but also supports conspiracy investigations by showing linkages between individuals and separate DEA investigations.

NADDIS is accessed via the DEA Automated Telecommunications System (DATS) by over 300 terminals located nationwide and in Mexico, England, Italy, Germany, Thailand, South America, the Netherlands, France, Canada, Austin, Belgium, the Philippines, Korea, Egypt, and Pakistan. Current plans call for additional overseas terminals to be located in other European, South America, Middle East and Asian countries via a Secure Telecommunications System operated by the State Department. NADDIS operates at the Justice Data Management Center (JDMC).

NADDIS is interfaced with the FBI National Crime Information Center (NCIC) Wanted Persons File, Stolen Gun File and Criminal History Summary File. It is indirectly interfaced with the Stolen License Plates File and Stolen Vehicle File using the Justice Telecommunications System (JUST) network.

Enforcement Management Information System (EMIS)

EMIS provides a method of tracking specific DEA investigations to determine management information. It includes the capability to evaluate case activity, status, agent manpower use, and confidential source utilization by the Operations Division. EMIS is being developed in two phases. EMIS I primarily involves the purchase of evidence, which enables DEA to determine whether money seized as evidence includes currency previously expended by DEA for the purchase of evidence. This system also provides a summarization of case and drug violator class statistics. EMIS II will provide information on the utilization of intelligence analysts and compliance and criminal investigator resources under the Manpower Utilization application. Information will also be provided on the current status of DEA use of confidential sources of information. EMIS I and II will automate and widely disseminate information which was previously prepared manually and had only limited use due to the lack of accessibility by other DEA personnel.

PATHFINDER II

PATHFINDER is a component of the National Intelligence System, mandated by the President's Reorganization Plan Number 2 of 1973. This system provides DEA with centralized automated storage, retrieval and analysis of law enforcement intelligence information relevant to illicit drug activities. Intelligence and enforcement personnel access the system via on-line terminals. The data bases include information on individuals, activities, events, aircraft, vessels, movement reports of individuals and associated drug distribution networks. It includes a graphics output capability.

PATHFINDER information is made available to other Federal, state and local law enforcement officials who have a proper need-to-know and are signatory members of EPIC.

1025

Controlled Substances Act System (CSA)

The Office of Diversion Control is supported by the Controlled Substances Act System. CSA is used to control the registration and annual re-registration of more than one half million legitimate sources of Federally controlled drugs. The volume of data this statutory requirement imposes precludes manual processing. The system was established to implement the provisions of the Controlled Substances Act of 1970 (P.L. 91-513), requiring that all legal handlers of controlled substances annually register with the Department of Justice. The system processes new and renewal applications for registration, applies changes to previously established master records, issues order forms for the purchase, sale, or transfer of Schedule I and II controlled substances, and produces various fiscal accounting, control, and statistical records. The master records contain information on legal handlers of controlled substances, including name, address, DEA registration number, business activity, initial issue date of registration, expiration date of registration and drug schedules authorized. The CSA data base is used by suppliers for verifying physician and hospital order forms prior to delivery of controlled substances. The verification consists of an on-line inquiry by a DEA diversion investigator into the CSA data base via the DATS network.

System to Retrieve Information from Drug Evidence (STRIDE)

STRIDE supports DEA by processing information derived from drug evidence. This system supports DEA agents, intelligence, enforcement, administrative and laboratory personnel, primarily through monthly and quarterly reports of drug trends. STRIDE provides data resulting from forensic examination of drug evidence for tactical and strategic intelligence as well as planning and management purposes. The system is used to detect unusual occurrences and other matters related to drug intelligence. STRIDE consists of three subsystems: (1) Manpower Utilization, (2) Laboratory Analysis, and (3) the Ballistics program. The Manpower Utilization Program is used by the Forensic Sciences Division as a management information system to produce a monthly report of hours spent by chemists and laboratory technicians on various tasks, such as drug analysis, court appearances, training, assistance to agents and research. The Laboratory Analysis Program is based on data developed by DEA forensic chemists, such as the controlled substances chemical comparison of tablets and capsules. Data derived by the forensic analysis of drug evidence throughout the DEA laboratory system are input via computer terminals located in each laboratory by scientific intelligence technicians. The system is available for on-line queries to determine characteristics of drugs obtained during an investigation. STRIDE and Ballistics derived information is used to link investigations based on the similarity of exhibits and provides strategic intelligence on worldwide illicit drug trends.

DEA Accounting System (DEAAS)

This system was developed to automate highly labor intensive accounting and clerical functions. These include DEA funds obligations, expenditures, costs, and revenues for which program managers are responsible, generation of financial reports to meet internal needs and external requirements and to provide a basis for developing and reporting costs in accordance with programs, budget activities, special projects and organizational cost centers. The system is DEA-wide, incorporating budget and financial data of domestic offices, foreign offices, laboratories, intelligence centers, aircraft section, and Headquarters activities. DEAAS does not interface directly with the Department of Justice Accounting System. It does, however, use an abbreviated version of the DEA payroll file from the DOJ Payroll System as input on a bi-weekly basis. Detailed accounting transactions are transmitted via the DATS network to the JDMC and are collected for a batch processing update. Information is derived from basic documents such as allotment advices, operating plans, payroll data files, obligation documents, receipts documents, accrual documents, reimbursement agreements, manpower activity reports, and expenditures/disbursement documents.

Telecommunications

DEA has a requirement to support investigations of illicit drug operations worldwide. The highly transient nature of subjects under investigation requires the support of a worldwide, rapid and Secure Record Communication System. DEA's requirements, both for domestic and for certain foreign offices, for secure voice, secure teletypewriter, facsimile and general communications, are satisfied by the following:

- Secure Voice. Nine STU-II secure voice devices are now operational. They are located at DEA Headquarters, EPIC and Miami, San Diego, Dallas, Houston and San Juan. This equipment meets national cryptographic requirements, and provides DEA intelligence and enforcement personnel with the capability to rapidly and securely exchange information with all elements of the United States Intelligence Community. Many of DEA's offices overseas are accessible through the Department of State secure voice network. The secure voice equipment program is scheduled for expansion as STU-II's and STU-III's are delivered to DEA.

1026

- Facsimile. The DEA Facsimile System consists of 143 terminals, including all divisional and resident offices, laboratories, some airport details, Mexico City, Montreal, San Juan and Honolulu. Offices equipped with facsimile equipment can communicate with each other or with any other government agency or commercial firm that has compatible equipment (e.g., Xerox, Magnafax, Steward Warner, Graphic Sciences). Upgrading of the system has included placing unattended machines in several larger offices and by replacing six-minute per page models with a faster capability. Fingerprint facsimile machines are operational in 13 major field locations. This system is used to send prints to the FBI and receive a prompt response.
- Secure Teletypewriter Communications. Domestic - The DEA Secure Domestic Teletypewriter System presently consists of a Headquarters Telecommunications Center and 114 terminals in field offices, including Honolulu and San Juan. The short-range objective is for 130 operational locations. This is a private system within DEA; however, communications with other government agencies are available through the Headquarters Telecommunications Center. The DEA Teletypewriter System employs circuit switching as opposed to the previous data-phone operation. This allows any station in the network to send a message to all other stations in the network with any one transmission. KW-7 cryptographic hardware is being replaced by KG-84s. Foreign - Access to foreign offices is provided through the Department of Defense Automatic Digital Network and/or the State Department Diplomatic Telecommunications System, both of which are electrically connected to the Headquarters Telecommunications Center.
- Communications Security (COMSEC) Accounts. DEA has one of the largest COMSEC accounts within the U.S. Government. COMSEC accounts are administered by the Headquarters Center Office of Record (COR), by the DEA COMSEC Officer and COMSEC Custodians at each of DEA's 119 offices receiving cryptographic material. Custodians operate under policy promulgated by the National Security Agency for the positive and continuous recording and reporting of accountable COMSEC material from the time of receipt within DEA through destruction or final disposition. Regularly scheduled inspections of cryptographic facilities are the most effective means of ensuring that the required security standards are maintained at all times. The National Security Agency requires that all COMSEC accounts be inspected and audited at 18-month intervals. The purpose is to ensure that COMSEC material is used, stored, distributed, or accounted for, and that COMSEC equipment is employed and maintained in accordance with current standards. This material supports the DEA Secure Teletypewriter System.
- Law Enforcement Information Access Systems. Headquarters, EPIC, and 55 field offices have access to the U.S. Customs TECS and/or their State Police computers.
- Paging System. DEA Headquarters utilizes the NEC Paging System for 120 senior officials and duty agents. The Paging System is used by the Air Program to alert the DEA pilots in 23 field locations.
- Office Automation (OA). DEA is engaged in the installation, testing and implementation of an office automation system. A contract was awarded during April 1986. Phase I, the Pilot program, is being conducted during the first half of 1987. Phase II, full implementation, is scheduled for completion during the 1988. Phase I equipment will not be TEMPEST rated, Phase II equipment will be TEMPEST rated.

Accomplishments and Workload:

Overall Mission of DEA:

- DEA has begun the installation, testing, and implementation of an office automation system. Phase I, the pilot program, will be conducted during the first half of 1987.
- Exxon Information Systems was awarded the contract to supply DEA domestic offices with word processing equipment. Thus far, 600 machines have been installed.

1027

- Microprocessors have been introduced to support various missions. Among these were: an investigative/judicial information system in support of a conspiracy investigation and trial called "Operation Bushmaster"; a document tracking system was developed to support the Washington, D.C. Division Offices; several management systems were developed on a microprocessor for use by the Administrator; a budget appropriation and audit system were developed for the Office of Training in support of domestic, state, local and international accounts; a microprocessor was used to develop an application in support of OMB Circular A-123, Waste, Fraud, and Abuse; and to support store front operations, automated mail order, inventory and accounting activities programs were designed, written and installed to support daily operations.
- A capability was provided for the Office of Personnel to identify agents and chemists that are due for an annual physical.
- The laboratory system (STRIDE), is being rewritten to operate under Model 204 DBMS. This rewrite will enable STRIDE to share data with other DEA systems.
- The Property Management System has been rewritten to operate under M-204.
- A system was developed for the EEO office to support the Segar vs. Smith lawsuit.
- An EMIS II Manpower Utilization program was developed. This program captures and provides access to manpower utilization of special agents, intelligence analysts, compliance investigators and confidential informants.
- A Personnel Locator System was written under M204. It will provide, in an interactive mode, the capability to query by employee name, telephone number and current office location.
- Encryption equipment have been installed on the DATS network. This equipment will be used until the network encryption can be accomplished using NSA provided KG-84 devices.
- Six additional overseas locations have become operational on the DATS network (Santo Domingo; Panama City, Panama; Kingston, Jamaica; Lima, Peru; Bogota, Columbia and Islamabad, Pakistan).
- In an effort to improve ease of operation, reduce downtime, and improve system responses of DEA Secure Teletypewriter System, 21 existing model TI-732's are being replaced.

Enforcement Activities

- Microcomputers have been acquired to support Title III investigations. The equipment will be used throughout DEA field offices.
- An agent Application System was developed which provides a full range of reports concerned with tracking the status of DEA agent applicants.
- An agent Career File was developed for use by the Career Board in performing their functions. The information contained in the file allows decisions to be made and plans developed which normally require extensive manual labor.
- The Offender Base Transaction System/Defendant system is being rewritten to operate under M204.
- The Controlled Substances Information System which will allow, interactively, queries of chemical data bases indicating hazardous and toxicity chemical content, became operational under M-204.

Diversion Control Activities

- The capability for the CSA Registration office to query new applicant information in an interactive mode was developed, thus reducing the registration users' response time.
- CSA is now operational under Model 204 DBMS.
- The Prescription Information and Survey System (SCRIPT) is being rewritten to operate under M204.

- The Precursor system has been rewritten to operate under Model 204 DBMS. This system will now provide access to information pertaining to sales and other transactions concerning precursor chemicals. This includes the identification of cooperating companies, both public and private, engaged in the manufacture, wholesale and retail distribution of such chemicals as well as the identification and address of the individuals and companies purchasing or inquiring about precursor chemicals.
- The SCRIPT system was developed to support field investigations which require the collection and analysis of prescription information. SCRIPT support has been provided in Philadelphia, St. Louis, Atlanta and Detroit.

Intelligence Activities

- The PATHFINDER system has been rewritten to operate under control of the Model 204 DBMS. This conversion, enables the PATHFINDER system to share data with other DEA systems.
- A Text Analysis System (TEXAS) was implemented at EPIC which automates the communication traffic.

Program Changes: Threats to information systems incorporating data from the Intelligence Community sources have not diminished. In fact, recent national and international events have highlighted the consequences of neglecting the protection of information systems. For this priority initiative, DEA is requesting increases of 15 positions; 11 FTE workyears; and $12,417,000.

The resources requested will both modernize and protect DEA's investigative and administrative information systems, which are critical to effectively support drug law enforcement operations in the fight against drug trafficking. The ADP and Telecommunications program provides data on a world-wide basis in accordance with DEA's long-range plan. The ADP and Telecommunications program provides for the implementation of modern DBMS, which provide for retrieval capability that can establish relationships between various DEA data bases while also significantly improving the ability to query any file within these data bases. The increased retrieval capability is being made available to a larger number of DEA offices, both domestic and foreign, through expansion and increased sophistication of the ADP, Telecommunication, and Records Communications Systems. The highly flexible nature of DBMS, ease of programming, and "user friendly" characteristics provide an increased capability to support routine and new DEA investigative, mission and operational requirements.

In order for DEA to receive, process and transmit national security information, it is necessary to have total encryption and TEMPEST security of its ADP, office automation, teleprocessing and telecommunications activities. This type of secure system will allow DEA to have direct interchange of classified data with other agencies, as required, for drug investigations.

TEMPEST

Program funds of $10,571,000 are required for the TEMPEST program. A contract for office equipment has been awarded to Federal Data Corporation which includes the option to TEMPEST that equipment. The DEA Office Automation System will provide a multi-functional standardized workstation that will perform as a 3270 DATS terminal, stand-alone word and data processor, and a message and document transmission terminal over an encrypted telecommunications network throughout the domestic United States. Phase I, the pilot program, is being conducted in the first half of 1987. In the 1987 appropriation, there is an enhancement package of $8,173,000 for the first stage of the DEA TEMPEST program. This funding lays the foundation for the TEMPEST system. Funding requirements in 1988 to complete the TEMPEST program are as follows (hardware, software, and vendor support costs are based on the awarded contract):

1029

Cost Element		1987	1988	1989	1990	1991	1992	1993
Hardware								
Purchase	OT			$165,000	$165,000	$180,000	180,000	$180,000
Lease 1/	R	$1,582,543	$8,900,000	4,900,000	530,000			
Software								
Purchase	OT							
Lease	R	200,000		280,000	280,000	280,000	280,000	280,000
Vendor Support								
Technical	R	205,008	670,000	737,000	810,000	890,000	980,000	900,000
Maintenance	R	222,021	2,000,000	2,200,000	2,420,000	2,660,000	2,926,000	3,219,000
Installation	OT	190,428	75,000	25,000	25,000	25,000	25,000	25,000
KG 84 Purchase	OT	1,685,000	1,688,000					
KG 84 Safes	OT	900,000						
KG 84 MAINT.	R		500,000	500,000	500,000	500,000	500,000	500,000
Site Survey	OT	350,000						
TEMPEST TTY	OT	1,238,000						
Computer 1	R	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Computer Other 2/	R		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total Costs		$10,573,000	$21,833,000	$16,807,000	$12,730,000	$12,535,000	$12,891,000	$13,104,000
Available								
FY 1987			8,173,000	8,173,000	8,173,000	8,173,000	8,173,000	8,173,000
Wordprocessing		936,000	1,625,000	1,625,000	1,625,000	1,625,000	1,625,000	1,625,000
DATS		854,000	854,000	854,000	854,000	854,000	854,000	854,000
OA		610,000	610,000	610,000	610,000	610,000	610,000	610,000
Total Static Base		$2,400,000	11,262,000	11,262,000	11,262,000	11,262,000	11,262,000	11,262,000
Funding Requirements 3/		$8,173,000	$10,571,000	$5,545,000	$1,468,000	$1,273,000	$1,629,000	$1,842,000

1/ DEA is leasing the office automation equipment with the option to purchase (LWOP). The lease costs are the LWOP costs.
2/ Based on experience with the DBMS, an additional computer will be required to support DEA's information systems.
3/ Funding requirements 1988-93, represent total costs per year above a static base of $11,262,000. In 1989-91, there is a substantial decrease in funding requirements.

Continuation of the TEMPEST/Office Automation project will ensure that DEA has a secure system that allows for direct interchange of drug enforcement classified data with other agencies. The implementation of the office automation system will provide the capability to enter data directly into the workstations at the field locations and up-load the files to a host computer at a later time. The field will no longer have to mail input into the data base.

ADP Technical Staff Support

DEA requests 15 positions (13 computer specialists, 2 technical/clerical); 11 FTE workyears; and $3,016,000 to support both the increase in demand for ADP products and the increase in the number of staff positions within DEA.

The DEA core positions have increased over the past years with no increase in the ADP support positions. If the core positions are to receive the support that is required in order for them to perform effectively, then there is a need to increase the support positions. The personnel resources will be used in an Information Center environment, and will include COMSEC, technical control, DATS, system software, communications, communications operators and application specialists.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Records management.....	88	83	$3,866	85	80	$4,363	85	80	$4,363	...	...	...

Long-Range Goal: To provide effective and efficient records management, Freedom of Information/Privacy Act and library support to ensure the optimum success of DEA's mission requirements.

Major Objectives:

To upgrade the maintenance, retrievability, and disposition of DEA files through the application of records management practices and technology.

To provide responsive directives management services for prompt dissemination of policy and procedures.

To maintain and upgrade NADDIS.

To maintain EMIS II.

To maintain files of all drug investigations initiated by DEA field offices and to provide a records retrieval service for Headquarters enforcement and intelligence personnel.

1081

To provide training in NADDIS operations to agents, intelligence analysts and selected administrative personnel.

To maintain a central record of all DEA disclosures of information to individuals and agencies outside the Department of Justice, as required by the Privacy Act.

To provide an initial acknowledgement within 10 days for all FOI/PA requests.

To continue to improve and update the FOI/PA processing systems.

To provide efficient and responsive library services for all DEA elements.

To provide information from on-line retrieval systems to meet the needs of DEA in pursuit of its mission.

Base Program Description:

Records Management

The Records Management program element provides development and implementation of policy and procedures for DEA records management programs and systems, including reports management, forms analysis and design, files maintenance, records disposition, directives disposition, correspondence management, and systems and procedures studies.

Investigative Records

The Investigative Records program element maintains a large volume of hard copy files on drug investigations conducted by DEA worldwide field offices, and of drug intelligence reports received from the FBI and other agencies. Reports in these files are source documents from NADDIS, a computerized data base, and are used extensively by the Headquarters staff. The Investigative Records Unit is responsible for extracting pertinent information from these reports and entering this information into NADDIS. The Investigative Records Unit also maintains a central file of all disclosures of information to individuals and agencies outside DOJ as required by the Privacy Act of 1974. Names in these hard copy records are extracted and recorded on microfiche to provide an audit trail.

The program also maintains the following: the Case Status subsystem of EMIS, an on-line information system that has been designed to store, organize, and provide information about DEA case and general files; a central file on all DEA confidential informants, and enters information from these files into highly secure, computerized data base (EMIS II); and a central file of all disclosures of information to individuals and agencies outside DOJ as required by the Privacy Act of 1974. Names in these hard copy records are extracted and recorded on microfiche to provide an audit trail.

Freedom of Information

The Freedom of Information Operations program element prepares and provides responses to requests made pursuant to FOI/PA through use of specialists. The Litigation Unit assists in defending DEA against FOI/PA lawsuits.

1092

Library

The DEA library serves as a single source for historical and current information concerning the DEA mission. The library staff, and collection of 15,000 volumes of legal, scientific and general references provide support for the DEA staff in planning and executing the strategies for control of those substances under Federal jurisdiction.

The library's on-line computer information services, Dialog and Nexis, contain over 300 different data bases with approximately 80 million records. These services provide information on a variety of subjects ranging from citations on corporations and individuals to bibliographic citations.

Accomplishments and Workload:

Records Management

- Provided briefings on records maintenance and disposition requirements to DEA administrative officers, to promote reduction of the volume of files with subsequent cost savings in procurement of file equipment and acquisition of floor space.
- Conducted surveys of Headquarters offices in developing file plans to improve filing efficiency, reduce lost time for retrieving files, and dispose of valueless records.
- Provided detailed review and analysis of files operations that increased the number of accession requests made by DEA offices to Federal Records Centers.
- Visited two foreign DEA offices to reduce the volume of records and to facilitate the retirement of records.

Investigative Records

The Investigative Records program element processed 403,917 investigative reports in 1986 and opened 23,917 new investigative files. It created or updated 786,602 NADDIS records in 1986, increasing the data base to 1,951,917 records. The unit processed and reduced to microfiche 11,473 records. Installation of 70 ADP "POD" furniture work stations and carpeting without loss of production, will increase the efficiency and security involved in the highly detailed duties of this automated work environment.

Filing backlogs were reduced from approximately 50,000 to 3,000 through the efforts of summer help, clerical pool and program personnel in 1986.

NADDIS data base became operational under M-204 DBMS on January 21, 1986.

Freedom of Information

During 1986, the Freedom of Information Section received 2,046 requests for FOI data and completed processing of 2,185 FOI requests.

1083

Library

The Library has maintained an active program of replacing bound volumes of journals and law books with microforms. At the end of 1986, the library had 2,500 rolls of microfilm and approximately 3;500 microfiche. The substitution of microforms for bound volumes enables the library to better utilize available space.

The Library has acquired three on-line computer systems. Dialog and Nexis are systems which together contain over 300 different data bases with approximately 80 million records. The information provided from these systems will enable DEA staff to do a more complete job in investigations and research. The third system, On-line Computer Library Center (OCLC), is a library system geared to cataloging and inter-library loans. OCLC will enable the DEA library collection to become better known to outside users as the library enters more material into the system. The library maintains 130 special studies and reports for staff reference.

Drug Enforcement Administration

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: State and Local Assistance	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and local training	30	29	$2,690	30	29	$2,998	30	29	$2,998	...	...	...
State and local laboratory service ...	25	25	1,603	25	25	1,800	25	25	1,800	...	...	...
Total.....	55	54	4,293	55	54	4,798	55	54	4,798	...	...	...

This budget activity encompasses training for state, local, military and other Federal professionals; laboratory analysis of drug evidence; and resources targetted for prevention of drug abuse.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and local training	30	29	$2,690	30	29	$2,998	30	29	$2,998	...	...	...

Long-Range Goal: To increase the competency of personnel from other organizations involved in controlling drug abuse and drug trafficking.

Major Objectives:

To provide training in basic, advanced, and specialized drug law investigation techniques and methodologies to state, local, military, and other Federal officers and forensic chemists.

To provide training in management and supervision of drug investigative units for state, local, military and other Federal professionals.

To develop agency-wide resources for prevention of drug abuse.

Base Program Description: DEA's training programs were relocated from FLETC in Glynco, Georgia, to the FBI Academy in Quantico, Virginia. This transfer results in more effective drug enforcement training for state and local recipients.

Advanced and Specialized Drug Law Enforcement Training

- The National Drug Enforcement Officers Academy is an eight-week course of basic instruction taught at Quantico. The Academy provides the investigator trainee with skills required to effectively conduct a criminal drug investigation. It develops expertise in the following: surveillance, undercover operations, search and seizure laws, drug identification and pharmacology, financial asset investigations, physical fitness, and firearms proficiency. The academy employs a unique "methods-of-instruction" training which enable graduates to share their academy instruction knowledge with fellow officers upon returning to their units.
- DEA conducts a variety of training throughout the country under the auspices of its nineteen division training units. This field training is in response to the needs of investigators who cannot attend the Academy. The courses vary from the two-week Basic Investigators School through one-to-three-day seminars on specialized topics, e.g., Clandestine Lab Operations, and Conspiracy Seminars.
- Cannabis Detection and Eradication Training is coordinated by the Office of Training and presented throughout the United States. Training emphasizes utilizing aerial observation technology as a primary tool in identifying and locating illegal cultivation sites.

Management and Supervisory Drug Law Enforcement Training

- Supervisory Drug Enforcement Officer Seminars provide management officials with the skills required to direct a comprehensive drug enforcement program within their area of responsibility. The curriculum focuses on management techniques, priorities, inter-departmental cooperation and available Federal support.

Drug Demand Reduction and Prevention Program Training

- DEA is continuing the Sports Drug Awareness Program (SDAP). The program is a joint undertaking of 40 organizations, including the FBI, International Association of Chiefs of Police, National Football League (NFL) and its Players Association (NFP) National High School Athletic Coaches Association, National Hockey League, and National Association of Broadcasters. In SDAP, DEA provides prevention and education material and programs about drug abuse in order to reach the 57 million school age-youth, including out of school juveniles, primarily through clinics for sport coaches, teachers, and student-athletes. The SDAP program also includes providing prevention publications which: emphasize the special rapport between the coach and athlete; present information on the signs of drug abuse; and provide guidance on how to establish prevention programs.
- DEA develops and provides technical assistance in drug prevention training to other law enforcement agencies. This encourages their participation in community prevention programs.

1086

Accomplishments and Workload:

- Due to the relocating of DEA's domestic training operations to the FBI Academy during 1985 and 1986, and to the academy's priority workload of commencing DEA Basic Agent Classes in the first quarter of 1986, no state and local officers were trained in the academy's basic instruction classes or in supervisory officer's school.
- State and local training classes conducted in field locations have trained 8,576 state and local officers during 1986.
- Fifty military personnel have been provided narcotics training during 1986.
- The 1985 Cannabis Detection and Eradication Training program gave field classes for 873 state and local officers.
- Due to priority for the DEA Basic Agent demands, only one Narcotic Specialization Training class was held during 1986, which provided in-service training for 17 FBI special agents at Quantico. DEA provided narcotic orientation training to 280 FBI new agents during 1986.
- DEA provided narcotic orientation training to 2,600 Border Patrol Officers and 210 Army Criminal Investigation Officers at field sites.
- During 1986, DEA sponsored and participated in prevention clinics and seminars involving more than 3,500 coaches and teachers and provided packets of material to participants. DEA will conduct seminars for an additional 3,500 participants in 1987 and provide agent speakers for related training and prevention events. Over the past two years, DEA has distributed approximately 200,000 publications including "For Coaches Only" and "Team Up For Drug Prevention".

Item	1985	1986	1987	1988
State and local officials trained at DEA training center.....	350	...	350	350
State and local officials trained at DEA field locations.....	9,105	8,576	9,105	9,105
FBI special agents trained.....	650	280	650	650
Participants in sports drug awareness clinics.....	3,500	3,500	3,500	4,000

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and local laboratory services....	25	25	$1,603	25	25	$1,800	25	25	$1,800	...	...	...

Long-Range Goal: To provide support to state and local law enforcement agencies through supplemental laboratory analysis of drug evidence, meeting applicable State Speedy Trial Act provisions and to aid and encourage state and local agencies in achieving forensic analytical self-sufficiency through provision of technical assistance.

Major Objectives:

To assist state and local laboratories to achieve self-sufficiency through the following:

- Publish technical information and participation in national and local forensic sciences meetings;
- Provide training to forensic chemists on drug analytical techniques; and
- Support to programs that assist in enhancing state and local laboratory capabilities (participation in American Society of Crime Laboratory Directors, American Academy of Forensic Sciences and regional professional associations).

To provide quantitative and qualitative analysis of drug evidence for those agencies that do not have laboratories, primarily the Metropolitan Police Department, Washington, D.C. (MPDC), and on difficult and complex exhibits requiring highly-specialized examinations for those agencies that do not have the necessary expertise or instrumentation.

To provide expert testimony in court relative to analytical findings for prosecution purposes.

To provide analytical drug reference standards where there is no commercial source.

To conduct ballistics examinations of tablets and capsules to identify common origins of clandestinely-produced dosage units and to identify licitly-manufactured dosage units diverted to the illicit market.

Base Program Description: The State and Local Laboratory Services program is responsible for providing state and local agencies with technical assistance, which is beyond the expertise of the forensic laboratory servicing the agency and for helping state and local forensic laboratories achieve self-sufficiency in the analysis of drug evidence for criminal investigations and prosecutions.

This program seeks means to upgrade the analytical capabilities of state and local laboratories. When state and local agencies cannot provide laboratory services or need technical assistance in the development of prosecutorial presentations and cross-examination of expert defense witnesses, DEA provides assistance. The major component is the analysis of drug evidence for duly constituted state, county, and municipal law enforcement agencies, assuring that cases developed will not be dismissed for lack of competent laboratory support. This program, in conjunction with other assistance programs, will help focus state and local law enforcement attention on the appropriate response to the drug problem.

DEA assists other agencies through the following: achieving forensic analytical self-sufficiency by conducting training in drug analytical techniques; publishing and distributing the scientific newsletter Microgram; providing intelligence and technical information to the forensic community; publishing technical information in scientific journals; participating in national and local forensic meetings; and providing analytical drug reference standards. The program mission, under DEA Reorganization Plan No. 2 of 1973 and 21 U.S.C. 872 and 873, is to conduct training programs for state and local forensic chemists and to provide laboratory support for state and local law enforcement agencies including analysis of drug evidence and expert testimony in state prosecutive cases.

1038

This program analyzes drug exhibits in a timely manner in support of prosecutions, provides expert testimony, and conducts highly-specialized ballistics analysis of tablets and capsules to identify common origins of licitly and illicitly-produced dosage units diverted to the illicit market. Expertise in the ballistics examination of drug dosage units rests solely with DEA.

DEA provides forensic analytical support to the Metropolitan Police Department, Washington, D.C. (MPDC), which is completely dependent on DEA for forensic drug analysis. Related to this analytical commitment is the resultant need to offer expert witness testimony in the D.C. Superior Court.

In general, other evidence analyzed within the state and local program which is of an unusual or difficult nature is analyzed by the DEA laboratory system as an aid to state and local forensic laboratories incapable of performing such analyses.

Accomplishments and Workload: In support of other agency drug investigations during 1986, DEA laboratories analyzed 7,963 exhibits of drug evidence, testified in 98 trials, conducted 112 ballistics examinations, published 12 issues of Microgram, published a new forensic chemist training manual, and conducted 4 state and local chemist seminars to train 55 forensic chemists. Additionally, DEA forensic chemists continued to participate in regional, national and international forensic science organizations by holding officer positions, participating on committees and presenting scientific papers. Representatives of the laboratory system held several meetings with officials of foreign law enforcement agencies to coordinate activities.

The success of this program in assisting self-sufficiency of state and local agencies can be significantly measured in terms of the reduction of evidence analyses from almost 16,000 exhibits in 1975 and 1976 to just 9,000 exhibits in 1984. However, in 1985, there was an increase to almost 11,000 exhibits analyzed (accomplished through the use of large amounts of overtime) due to escalated workload generated by the MPDC, Washington, D.C., which relies totally on DEA for analysis of its drug evidence. Since tabulation of MPDC evidence submissions began in 1978, the percentage of exhibits analyzed for MPDC has increased from 53 percent of state and local exhibits analyzed to 89 percent in 1985. In 1986, 7,174 MPDC exhibits were analyzed accounting for 90 percent of the total state and local analyses.

Program measures include the following:

Item	1985	1986	Estimates 1987	Estimates 1988
Drug exhibit analyses	10,766	7,963	8,543	8,543
Ballistics examinations	82	112	100	100
Issues of Microgram	12	12	12	12
Training conducted "seminars"	4	4	4	4
Court appearance	64	98	90	90
Evidence backlog	1,153	961	2,468	3,975

Drug Enforcement Administration

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Program Direction	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount
Executive direction and control	264	249	$15,440	249	234	$16,672	258	241	$17,602	9	7	$930
Administrative services	152	143	9,108	151	142	10,097	151	142	10,097	...	...	...
Total.....	416	392	24,548	400	376	26,769	409	383	27,699	9	7	930

This budget activity provides all management and administrative services in such areas as fiscal/budget, personnel, supply/facilities, internal security and inspection, transportation and congressional/public affairs.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount
Executive direction and control.....	264	249	$15,440	249	234	$16,672	258	241	$17,602	9	7	$930

Long-Range Goal: To develop, maintain and provide effective and efficient management, executive direction and control functions.

Major Objectives:

To provide quality management direction and control through policy development.

To provide accurate and timely information to congressional requests, to specific interest groups and to the public regarding DEA's mission and activities.

To provide a full range of legal services to the agency.

To provide effective budget planning, formulation and execution.

To provide an efficient DEA financial accounting and reporting system in compliance with OMB/GAO directives.

To strengthen management procedures and internal controls through OMB Circulars A-123 and A-76.

To investigate instances of integrity misconduct within DEA.

To maintain financial accuracy and timeliness through internal audits.

To effectively monitor and evaluate all programs within DEA through inspections for mission accomplishment and operational performance.

To provide physical, facility and information security to DEA.

To continue an effective strategic planning process for DEA.

To establish statistical systems for government-wide and DEA drug seizures, drug arrests, and asset seizures and serve as a clearinghouse for all DEA operational statistics.

To provide centralized program coordination and reporting of assets seized during agency criminal investigations.

Base Program Description: This program is responsible for setting policy, and providing solutions to problems in program formulation, management functions and internal control as well as ensuring the effective development and utilization of resources so that strategic goals and objectives continue to be met.

1041

Office of Congressional and Public Affairs

- The Congressional Affairs Section responds to congressional requests, provides DEA officials with reports on congressional activities, provides assistance in preparing for testimony and serves as congressional liaison.
- The Public Affairs Section responds to media, public and government inquiries, and issues press releases to inform constituents about drug-related issues.
- The Communications Services Staff prepares texts of speeches, outlines, talking points, and congressional testimony. They prepare recurring reports for the White House, Department of Justice and key DEA officials, and they produce DEA's major internal and external publications.
- The Demand Reduction Section develops and implements drug awareness and prevention programs and curriculum to impact nation-wide.

Office of Chief Counsel

This program's functions include: preparing legal briefs, opinions, presentations and providing technical legal training in regulatory and criminal matters, civil litigation, seizures, forfeiture of assets, personnel, EEO, procurement, and international matters. Most of this work is directly contingent upon the amount and complexity of agency enforcement and regulatory activity.

Office of the Controller

This program consists of the Budget Operations, Management Analysis, Accounting and Budget Execution, and Voucher Review and Analysis. This Office's primary responsibilities include: formulation and presentation of DEA's budget, which is integrated with the DEA's Strategic Planning process, to DOJ, OMB and the Congress; developing and maintaining resource allocation plans; and the design, operation and supervision of DEA's accounting systems. In accordance with OMB Circulars A-123 and A-76, this office maintains a system of internal control and accountability for programmatic and operational functions in all areas. Detailed studies are conducted to determine the effectiveness of DEA's organizational structure and its work methods and procedures. The Accounting Section was reorganized in 1986 into two sections by, in part, merging the staff and former functions from the Budget Execution Unit and establishing additional units to correspond to the increased accountability mandated by recent laws, regulations and policy. This will enable the Controller's Office to align those functions that are similar and interrelated as well as provide staff to functions requiring increased effort and attention. It will produce a more direct relationship within and outside the office to support mission objectives and improve productivity and program improvement. The new Accounting and Budget Execution Section consists of a Financial Systems and General Accounting Unit, Financial Policy and Assessment Unit, and Budget Execution Unit. The Voucher Review and Analysis Section consists of the Payroll and Cash Management Unit, and the Voucher Processing and Analysis Unit.

Board of Professional Conduct

Responsibilities include enhancing the DEA disciplinary system by bringing a balanced perspective of fairness, consistency and timeliness to its deliberations. Board activity involves close analysis and inquiry into integrity and accident investigations. Mitigation and aggravating factors are considered in determining the appropriateness of Board proposals for clearances and disciplinary actions.

Planning and Inspection Division

This program is the principal advisor to management on all matters pertaining to planning, evaluation, organization control, statistical systems, policy analysis, personnel, document and plant security and integrity/misconduct matters. These functions are coordinated and conducted through the Office of Inspections, Security Programs, Planning and Evaluation, Professional Responsibility and Security Programs. Their responsibilities are delineated as follows:

- The Office of Inspections is responsible for conducting inspections and audits. Inspections determine if investigative, administrative and financial operations are efficient, effective and in compliance with applicable laws and regulations. The Office conducts investigations in connection with undercover operations, Equal Employment Opportunity matters as well as surveys and inquiries ordered by the Administrator. All field divisional entities will be inspected every two years, DEA Laboratories at the rate of two to four per year, and selected Headquarters offices at the rate of 5 to 7 per year. Inspections also conducts approximately 16 EEO investigations each year.
- The Office of Professional Responsibility investigates integrity misconduct allegations directed at employees. The investigations are scheduled to be completed within 60 days.
- The Office of Security Programs ensures the enhancement of all DEA-wide security programs and plans for the protection of personnel, property, facilities, and information, including the promulgation of DOJ/DEA policy and procedures and auditing for compliance. The Office of Security Programs as mandated by Order DOJ 2600.2A will ensure the security of DEA and the follow-up necessary to implement security of ADP/telecommunications, documents, personnel, and contingency planning.

- The Office of Planning and Evaluation consists of the Planning and Program Evaluation Section and the Statistical Services Section. This office is also responsible for the following specific duties: conduct special studies of DEA operations and evaluate programs within DEA world-wide; coordinate all outside agency audits and evaluations within DEA; and coordinate and implement pilot programs and special projects developed as a result of evaluation findings. Specific responsibilities are:

  - The Planning and Program Evaluation Section is responsible for providing management direction and control through policy and program analysis and strategic planning. The Strategic Plan identifies agency policy and the action required to implement agency action over a three-year period. Various studies and evaluations of operations and programs successfully identify problem areas within DEA. This enables management officials to efficiently redirect resources, if necessary, and take corrective actions.
  - The Statistical Services Section implements and maintains statistical systems to meet DEA's needs. All DEA statistical functions were consolidated into this section in January 1983, in order to eliminate the previous fragmentation of statistical programs and to standardize the methodology used in the management of the various systems.

Accomplishments and Workload:

Achievements in the Office of Congressional and Public Affairs covering 1986 include:

- Coordinated the preparation and appearance of DEA officials in 25 Congressional hearings and 62 formal Congressional briefings, and prepared responses for 800 letter inquiries from Congress and responded to 897 Congressional telephone inquiries. Prepared and distributed 43 legislative summaries.
- Processed responses to 30,000 media inquiries and distributed three and one-half million publications.
- Represented the agency and participated in 60 drug-related conferences throughout the country.
- Prepared approximately 50 major speeches for the Administrator and the Deputy Administrator during 1986.
- Wrote three articles for Administrator's byline which appeared in criminal justice journals.

Office of Chief Counsel

The Office of Chief Counsel represented DEA management in administrative hearings involving regulatory, personnel and EEO matters. As a result of the expanded jurisdiction provided by the Comprehensive Crime Control Act of 1984, administrative litigation, forfeiture and criminal matters increased greatly. For example, the compliance and regulatory caseload increased from 64 in 1985 to approximately 100 in 1986, with corresponding increases expected in 1987 and 1988. Forfeiture cases totalled approximately 5,500 in 1986 and should increase to over 12,500 in 1988.

Office of the Controller

- A more intensive analysis and coordinated review of the budget has been implemented with the FBI.
- Integration of the DEA Strategic Planning process with the formal budget process was also accomplished.
- The Accounting Section was realigned to: increase effectiveness and efficiency in support of the agency's mission; establish a monitoring program on travel advances to minimize outstanding travel advances and timely collection of outstanding funds; and improve cash management practices in DEA to maximize the usage of government funds.

- The Budget Section evaluated agency base program resources and reallocated them to more accurately reflect operations and secured approval of a revised program structure to better reflect DEA's utilization of resources.
- The Management Analysis Section satisfied DOJ, OMB, and GAO requirements for implementation of OMB Circular A-123 through the direction and coordination of vulnerability assessments of DEA's programs, administrative functions, and ADP systems. Further analysis in the form of quality assurance reviews was conducted on eight of the 65 assessments. One material weakness and three areas of significant concern were reported to the Attorney General as exceptions to DEA's reasonable assurance for 1986. Three of the four functions designated by OMB for Circular A-76 commercial activity reviews were exempted by DOJ after the initial stages of analysis. Due to OMB Circular A-127, review for contracting in the accounting function has been deferred until DOJ completes development of Financial and Administrative Management Information System (FAMIS) and DEA converts to an automated system that is compatible with FAMIS or the FBI's accounting system.

Board of Professional Conduct

- Completed decisions on 72 Integrity and Misconduct cases referred by the Office of Professional Responsibility and 529 accident cases, submitted by field offices, involving Official Government Vehicles during 1986.

Planning and Inspection Division

- During 1986, the Office of Inspections inspected twelve domestic divisions, seventeen foreign offices, two laboratories, one follow-up inspection, one specialty program, and two Headquarters divisions. Twelve audits were conducted concurrently with inspections, four Special Enforcement Operations (SEO's) and four special audit studies. These inspections and audits resulted in the issuance of 481 Schedules of Findings (totaling 862 recommendations) that, when fully implemented, will result in increased efficiency, economy and effectiveness of operations, assure management that compliance with applicable laws, regulations and rules is achieved, and assure adequacy of internal control over agency assets and expenditures.

Office of Professional Responsibility

- Between 1985 and 1986, the number of integrity/misconduct investigations exceeded the planned output by 59.5 percent. This increase is considered significant, not only in the percentage increase, but by the complexity of investigations. These investigations continued to be conducted on a collateral duty basis by operational field DEA agents under the direction of DEA Inspectors.
- Standardized investigative and reporting procedures were established in 1984 to ensure uniformity in procedures and timely completion. Continued use of these procedures into the future will ensure sufficiency of the investigations and agency needs. Additionally, steps have been taken to automate the indices which will allow for on-the-spot analysis of investigative activity.

Office of Planning and Evaluation

- Coordinated the integration and completion of all aspects of the DEA 1988 Strategic Plan and its production and dissemination.
- Provided major leadership in the development of the 1986-87 National Strategy for Prevention of Drug Abuse and Drug Trafficking by participating in three out of five subcommittees.
- Conducted a review of policies and procedures regarding conditions adversely affecting the accountability or utilization of Federally owned property and developed an Executive Summary of findings and Recommendations.
- Initiated a Review of DEA's Special Agent Recruitment Program.
- Developed DEA's submission for the 1985 Attorney General's Annual Report and completed a draft of DEA's submission for the 1986 Report.

- Initiated a review of Sick Leave and Related Issues.
- Initiated a review of DEA's Fugitive Program.
- Coordinated on-site activities and/or requests for information or responses to reports on over twenty-five GAO and DOJ Audits of DEA.
- Coordinated OMB Circular A-123 reviews and provided recommendations to resolve issues identified in them.

Statistical Services Section

- Commenced the development of the Federal-wide Drug Seizure System, which will be fully implemented in early 1987.
- Initiated and completed 90 percent of the work required to redesign DEA's Defendant Statistical System in order to streamline the processing of arrest and conviction data.
- Produced six issues of the Quarterly Statistical Report and two issues of the Annual Statistical Report, a comprehensive statistical reporting series for use by DEA management.
- Participated in the Design and implementation of the new Computerized Asset Processing System.
- Provided statistical information in response to more than five hundred requests for information annually from other DEA offices and sources outside DEA.
- Initiated a study regarding the statistical quality of DEA's drug seizure data.

Physical Fitness Program

- Selected and trained 60 Physical Fitness Coordinators and 35 Senior Executive Managers.
- Defined the screening and testing mechanism for all special agent recruits.
- Completed two cyclic health and medical screenings and field assessment testings for special agents.
- Initiated health and physical fitness screening and testing, and provided exercise prescriptions for non-agent participants, and developed a computer program to store and analyze health and medical screening and field assessment testing results.
- Established and published a bi-monthly Health and Fitness Newsletter for the entire DEA workforce.
- Provided exercise training equipment to major field division offices. Provided corporate DEA memberships for special agents in resident offices.

Office of Security Programs

- Between May and December 1986, the Office of Security Programs conducted the following: 75 Comprehensive Physical Security Surveys of domestic DEA offices and laboratories; 8 Comprehensive Physical Security Surveys of DEA foreign offices; conducted physical security assessments of more than 30 foreign DEA residences; and 2 extensive Technical Surveillance Countermeasures Surveys.
- As a joint effort of the ADP and Physical Security Units, a computer program has been formulated for the rapid extraction of synopsized security data pertaining to DEA facilities by division, country office, individual office, survey date, criticality of security posture and servicing security specialist.
- The Executive Protection Detail, received in excess of 1,000 hours of specialized training in protection and anti-terrorist courses. This unit provided around-the-clock protection for seven days to the Italian Minister of Interior and his delegation at the request of the Attorney General's Office.
- A new computer program was implemented to monitor, synopsize, and report world-wide terrorist information that could impact on DEA operations and personnel.

Program Increase: Nine positions (6 agents, 1 intelligence specialist, 1 professional/administrative, 1 technical/clerical); 7 FTE workyears; and $930,000 (including contract funds of $80,000 for the Physical Fitness program) are requested for the Office of Planning and Inspection.

These resources are needed in the subject service areas to keep pace with the growth in agency size and to handle several new or expanded functions. Specific enhancements are required for the following services:

Function	Positions	Services Enhanced
Office of Professional Responsibility	3	Handle an increase in the more serious and complex employee misconduct and integrity investigations due to higher-level caseload in agency criminal drug investigations and its commensurate greater potential for staff impropriety.
Office of Security	5	Respond to recent trend of increased threats to staff and facilities, and to provide for more timely completion of background investigations.
Physical Fitness Program	1	Formalize the establishment of an agency-wide physical fitness conditioning and nutrition counseling for all staff to be coordinated at Headquarters. Two non-agent administrative support positions will be contracted out in lieu of establishing full-time permanent employees.

Expected benefits follow:

- The enhanced staffing for the Office of Professional Responsibility will assure that the integrity of DEA operations and staff remain at an unassailable level.
- The staff increase in the Office of Security will help to preclude costly damage to both DEA physical facilities and staff from terrorists and other hostile drug trafficking organizations.
- The new physical fitness program will ensure a more healthy, durable, and productive workforce by minimizing injury, sickness and stress-related disabilities, through nutrition, exercise conditioning, counseling and incentives. The program is particularly designed for the hazardous special agent work.

1046

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount
Administrative Services	152	143	$9,108	151	142	$10,097	151	142	$10,097	...	...	...

Long-Range Goal. To provide effective and efficient administrative support to enable the optimum achievement of the DEA mission.

Major Objectives:

To provide effective position management and appropriate compensation of employees, including merit pay, benefits, awards and retirement services.

To provide guidance and assistance and to process all disciplinary actions, and grievances and to establish policy and advice on performance appraisals.

To validate personnel procedures and practices, which will withstand legal challenges in areas of employee performance appraisal, selection, promotion, and discipline.

To provide health services, including employee assistance on personal and behavioral problems affecting performance and well being.

To recruit, staff and manage DEA staff according to Federal Equal Employment Opportunity regulations and procedures.

To provide and manage office and special purpose space to meet various DEA requirements.

To provide permanent change of station orders processing and the necessary support services to employees who are being transferred.

To provide an efficient and responsive contracting and procurement program with full and open competition and to increase the level of participation of small, minority-owned businesses and firms that hire the handicapped.

To provide furniture, office equipment, and motor vehicles in support of all DEA operational and administrative activities.

To process and distribute office supplies and mail and to provide graphic arts services for DEA headquarters and field elements.

Base Program Description:

Personnel Operations

An efficient personnel program is required to recruit and bring on-board a variety of dedicated and proficient staff in order to carry out the difficult and diversified functions inherent in DEA mission responsibilities. The need for a highly mobile force for locations in every state and over forty countries throughout the world, adds to personnel operation problems and workload.

All personnel work, other than limited clerical functions are centralized in Washington, D. C.

- DEA requires comprehensive personnel management which includes the following: classification; pay and position management, employee relations, assistance, and benefits; recruitment and placement; health and safety; personnel systems automation development; and validation and analysis of personnel procedures.
- The Office of Personnel advises and assists managers and employees on personnel matters, develops policy and provides guidance for the effective management of the workforce. Processing actions involved include those associated with discipline, adverse action, grievances, appeals, performance appraisal, job description, retirement, awards, benefits, compensation, safety, health and employee relations assistance.
- Personnel resources have been expended to assist in fully automating the personnel systems during 1985, 1986 and 1987. This will culminate in a streamlined and more efficient operation, but it has and will continue to increase personnel staffing workload during the planning, designing and implementation stages.
- The Office of Personnel is also involved in validating personnel processes of selection, employment, promotion and appraisal. These efforts, which will also require automation, will continue through 1987.

Equal Employment Opportunity

EEO programs are needed to ensure that DEA focuses on the legal and moral responsibilities in acquiring and managing its workforce in order to prevent discrimination and morale problems and to achieve equitable treatment of its employees as follow:

- The EEO staff develops an EEO program report for minorities and women and the Affirmative Action Plan for Handicapped and Disabled Persons. The Office of Personnel develops the Federal Equal Opportunity Recruitment program plan. These plans form the basis for coordination and definitive actions to meet major EEO objectives.
- The EEO staff works closely with the DEA Office of Personnel to plan and implement special employment programs. The EEO staff also presents training programs for managers and supervisors on EEO and Affirmative Action responsibilities. Personnel policies, practices and procedures are reviewed to ensure there is no adverse impact on minorities, women or handicapped persons.
- An EEO specialist has specific responsibility for managing the DEA's complaint system in order to process complaints of discrimination in a timely manner.

General Services

The General Services staff responds to all administrative support requirements identified. All worldwide elements and employees of DEA are served by this program as follow:

- The acquisition and utilization of space are centrally managed. Requests for expansion of space and changes in current office dimension configurations as well as space problems are evaluated, with appropriate action taken.
- All permanent change of station orders are processed on a timely basis. This includes processing necessary information concerning relocation benefits and financial details for each employee undergoing transfer.
- Stocks of frequently used office supplies and forms are maintained. Limited art, photographic and audio visual services are provided through in-house capabilities. Contract services are used for the moving of furniture.

- Requests for formal contracts and requisitions for all other types of procurement are processed in accordance with applicable regulations and agency policy guidelines by the DEA Contract and Procurement staff. Representative samplings of field office procurements are also reviewed for accuracy and conformance to these guidelines and regulations.
- Furniture and equipment requisitions are carefully screened for need prior to authorization. Use of rehabilitated items are recommended whenever feasible.
- Motor vehicle resources are controlled and maintained through a central management program to insure that existing and future vehicles are adequate and efficient, properly utilized, economically maintained, and replaced as required by appropriate regulations.

Accomplishments and Workload:

Personnel Operations

During 1986 the following major achievements were realized:

- Essential technical assistance was provided to key individuals in various divisions, resident offices, and laboratories in pay administration (including Time and Attendance (T&A) reporting), classification, etc. Trips were made to various division, resident offices and laboratories to provide essential individual assistance on a variety of critical personnel matters. Presentations on more chronic personnel problem matters were also prepared and given to various groups of employees and management at conference, management meetings and training. Plans call for increases in these personnel field assistance trips.
- The new T&A Desk Top Guide was revised, updated and distributed throughout DEA, and has and will continue to provide valuable reference information on procedures and thereby prevent many errors. Standard Operating Procedures were developed to cover work done throughout the Office of Personnel, and will serve various purposes. Plans call for more and improved guidance to the field.
- Personnel has been providing the program assistance and working closely with the FBI in the initial efforts to establish a joint FBI/DEA Payroll/Personnel Information System. In early 1986, the Requirements Analysis phase was completed. Micro computers were obtained in order to utilize the DOJ Personnel and Payroll System when the Department of Justice Payroll/Personnel System files are accessed. Personnel specialists will have immediate access in 1987 to a variety of personnel and payroll information appropriate to servicing needs. Personnel/payroll system development will be an ongoing process for the next several years, to progress to full implementation.
- Continued progress has been made on expansion of health services and programs. Procedures have been implemented to ensure that examinations are completed annually for agents over 40 and every 3 years for agents under 40. An Employee Health Services contract was awarded to provide on-site services to all DEA division offices. DEA post incident/injury trauma teams were established, and implemented agency-wide.
- The second phase of a survey study was completed to analyze injury cause including a cost comparison for DEA and FBI.
- During 1986, identification of elements comprising valid special agent performance appraisal criteria and the various levels of subject job knowledge, skills and experiences was completed for all agent positions. A contracted statistical analysis was then completed which compared the agency's incumbent agent status to the identified valid elements of these positions. Development was processed into an automated DEA Validation Reporting Information System, which will provide ongoing assessments of agency personnel recruitment, placement and promotion practices to ensure equitable treatment of all agents.
- New job elements and work plans were developed for all agents and will be utilized by supervisors for criteria, procedures, and training in 1987.

Equal Employment Opportunity Programs

- In 1986, DEA awarded approximately 59 percent of its prime contracts, which amount to more than $29,326,000 to small business concerns and approximately 16 percent of its formal contracts over $10,000, which total $18,582,000, to minority business concerns under the Small Business Administration's 8(a) program.
- EEO complaints are continuing to be processed in a timely fashion.
- A cooperative education program to recruit women and minorities has been established and the Selective Placement Program for the Handicapped has been transferred from the Office of Personnel to the EEO staff.

Administrative Services

- The Transportation Unit developed an improved voucher submission suspense and follow-up system and recovered a total of $1,330,000 to be made available for additional transfers that would have otherwise had to be deferred.
- Tighter controls were implemented in the Property Management Unit to limit the number of transfers or donations of Official Government Vehicles to other agencies so that DEA was able to recoup greater sale proceeds for the purchase of replacement vehicles.
- Cost reductions were achieved by the Office Services Unit through rehabilitation of over 340 pieces of office furniture, replacement of 78 copiers worldwide, and through implementation of new controls for outgoing mail in 1986.
- New and improved procedures were implemented in the Contracting and Procurement Unit to aid in scheduling of work, interface with DEA technical staff and clients served, and ensure full and open competition.
- The workload in the Facilities Management Unit was realigned among the space management specialists to foster close working relationships with field clients, and to provide better monitoring and follow-up of ongoing projects, which totaled over 150 separate actions in 1986.

Drug Enforcement Administration

Salaries and expenses

Financial Analysis Program Changes

(Dollars in thousands)

ITEM	Domestic Enforcement		Research, Engineering and Technical Operations		ADP & Telecommunications		Executive Direction and Control		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades										
GS 15	1	$52	...	...	...	...	...	...	1	$52
GS 14	3	133	...	...	...	...	...	...	3	133
GS 13	12	451	4	$150	...	...	3	$113	19	714
GS 12	8	254	4	126	...	...	2	63	14	443
GS 11	5	133	2	53	...	...	1	26	8	212
GS 9	2	45	1	22	...	...	...	...	3	67
GS 7	6	180	5	89	4	$71	...	...	15	260
GS 6	10	162	6	96	9	144	3	48	28	450
GS 5	9	130	6	86	2	29	...	...	17	245
Total positions and annual rate	56	$468	28	$622	15	$244	9	$250	108	$2,584
Lapse (-)	(10)	($67)	(6)	($155)	(4)	($65)	(2)	($62)	(26)	($349)
Permanent workyears and compensation	42	$1,101	22	$417	11	$179	7	$188	82	$1,935
Other personnel compensation	3	$82	2	$41	...	...	1	$25	6	$148
Total workyears and personnel compensation	45	$1,183	24	$588	11	$179	8	$213	88	$2,083
Personnel benefits		$126		$68		$25		$75		$294
Travel		$333		$124		$5		...		$460
GSA Rent		$321		$161		$86		$52		$620
Utilities and miscellaneous charges		$216		$110		$8		$43		$403
Printing & reproduction		$2		$1		$2		...		$5
Other services		$4,643		$492		$41		$349		$6,050
Supplies		$26		$51		$25		$30		$132
Equipment		$353		$2,478		$1,471		$168		$4,483
Total workyears and obligations, 1980	45	$7,269	24	$4,996	11	$2,417	8	$930	88	$24,552

Drug Enforcement Administration

Salaries and expenses

Status of Congressionally Requested Studies, Reports, and Evaluations

The Senate Report relating to Department of Justice Appropriation Act; 1987 (Senate Report 99-425) requested that:

1. In the conference report on the 1986 Supplemental Appropriations Act, Public Law 99-349, the conferees directed the Attorney General as Chairman of the National Drug Enforcement Policy Board, to convene the Board to address on an emergency basis the crisis phenomenon that cocaine freebase, "rock" and "crack" have caused in communities throughout the Nation. The Committee wishes to reiterate the importance of this report to State and local law enforcement authorities who are engaged in the battle to suppress "crack" houses and laboratories in areas such as Newark, NJ, New York, NY, and Miami, FL where this form of cocaine abuse is most prevalent.

   * This report was sent to Congress on October 1, 1986.

2. The Attorney General, in coordination with Drug Enforcement Administration, is directed to submit a report to the Committee on Appropriations no later than July 1, 1987, outlining the specifics for the use of funds recommended by the Committee for construction of a new all source intelligence center to modify or replace the El Paso Intelligence Center. This report shall include the location for such a center and detailed rationale for such site selection. It is the Committee's intent that this report will identify current usage of EPIC by all participating Federal agencies, as well as proposals for increased participation in a new or modified center.

   * This matter is under review at the Department of Justice.

The House Appropriations Committee Report on the Department of Justice Authorization Act, 1987 (House Report 99-669), directed the Drug Enforcement Administration to submit a report to the Committee in writing by January 1, 1987, on efforts to coordinate activities between the National Institute of Drug Abuse, the Centers for Disease Control and the Department of Education and the DEA. This report should include long-term plans at coordinated prevention activities.

   * This report was sent to Congress on January 27, 1987.

Drug Enforcement Administration

Salaries and expenses

Priority Rankings

Base Program

Program	Ranking
Domestic enforcement	1
Foreign cooperative investigations	2
Organized crime drug enforcement	3
State and local task forces	4
Diversion control	5
Intelligence	6
ADP and telecommunications	7
Research, engineering, and technical operations	8
DEA laboratory services	9
DEA training	10
Executive direction and control	11
Administrative services	12
Records management	13
State and local training	14
State and local laboratory services	15

Program Increases

Program	Ranking
ADP and telecommunications	1
Domestic enforcement	2
Executive direction and control	3
Research, engineering, and technical operations	4

Drug Enforcement Administration

Salaries and Expenses

Detail of Permanent Positions by Category

Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized Request	1987 Drug Supplemental	1987 Total	1988 Adjustment to Base	1988 Program Increases	1988 Total
Attorneys (905)	22	22	...	22	...	...	22
Other Legal and Kindred (900-998)	5	5	...	5	...	...	5
Legal Instruments Examining Series (963)	29	29	...	29	...	...	29
General Investigating Series (1810)	319	319	60	379	...	...	379
Criminal Investigating Series (1811)	2,416	2,416	353	2,805	...	36	2,831
Miscellaneous Inspectors Series (1802)	34	43	...	43	...	14	57
Other Miscellaneous Occupations (001-099)	16	16	...	16	...	...	16
Intelligence Series(132-134)	219	238	14	252	...	1	253
Personnel Management (200--299)	81	81	...	81	...	...	81
General Administrative, Clerical and Office Services (300-399)	1,456	1,372	178	1,570	-29	57	1,598
Biological Sciences (400-499)	4	4	...	4	...	...	4
Accounting and Budget (500-599)	128	128	...	128	-26	...	102
Medical, Dental and Public Health (600-799)	3	3	...	3	...	...	3
Engineering and Architecture Group (800-899)	6	6	...	6	...	...	6
Information and Arts Group (1000-1099)	19	19	...	19	...	...	19
Business and Industry Group (1100-1199)	9	9	...	9	...	...	9
Physical Sciences Group (Other than Chemists) (1300-1399)	10	10	...	10	...	...	10
Chemist Series (1320)	152	164	18	182	...	...	182
Library and Archives Group (1400-1499)	3	3	...	3	...	...	3
Mathematics and Statistics Group (1500-1599)	7	7	...	7	...	...	7
Equipment, Facilities and Service Group (1600-1699)	2	2	...	2	...	...	2
Education Group (1700-1799)	5	5	...	5	-2	...	3
Supply Group (2000-2099)	23	23	...	23	-1	...	22
Transportation (2100-2199)	6	6	...	6	...	...	6
Upgraded Wage Grade & Foreign Service Local	21	21	...	21	...	...	21
Total	4,695	5,041	629	5,680	-58	108	5,730
Washington	1,046	1,013	75	1,130	-44	-24	1,114
U.S. Field	3,489	3,694	496	4,190	-14	84	4,260
Foreign Field	360	334	58	392	...	...	392
Total	4,695	5,041	629	5,680	-58	108	5,730

Drug Enforcement Administration

Salaries and expenses

Summary of adjustments to base

(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1987 as enacted	5,680	5,149	$479,500
1987 Pay and retirement supplemental requested	...	...	9,917
1987 Program supplemental requested	...	...	776
1987 appropriation anticipated	5,680	5,149	490,193
Adjustments to base:			
Savings resulting from management initiatives	-58	-58	-911
Uncontrollable increases:			
One additional compensable day	...	...	732
Annualization of 765 additional positions approved in 1987	...	395	11,181
Annualization of Federal Employee Retirement System costs	...	...	18,557
Annualization of 1987 pay increase	...	...	4,[illegible]
Within-grade increases	...	...	1,035
Retirement contributions- Social Security (FICA)	...	...	36
Medicare costs	...	...	7
Locality based per diem	...	...	2,000
Federal Employee Compensation Act (FECA) - Worker's compensation	...	...	172
GSA Rent	...	...	4,781
GSA recurring reimbursable services	...	...	204
Federal telecommunication system (FTS)	...	...	417
Telephone service	...	...	42
GPO printing costs	...	...	12
Employee data and payroll services	...	...	215
Foreign allowances	...	...	324
Distributed Administrative Support	...	...	742
General pricing level adjustment	...	...	2,691
Total, uncontrollable increases	...	395	48,754

Drug Enforcement Administration

Salaries and expenses

Summary of Adjustments to Base

(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Decreases:			
Reduction for change in hourly rate	...	...	(459)
Reduction in Health Benefits costs	...	...	(269)
Reduction in per page cost of Federal Register and Code of Federal Regulations	...	...	(7)
Nonrecurring costs- background investigations for 1987 position increases	...	...	(496)
Nonrecurring costs- vehicles for 1987 position increases	...	...	(1,413)
Nonrecurring costs- equipment for 1987 position increases	...	...	(5,164)
Nonrecurring costs- permanent change of station costs for 1987 position increases	...	...	(636)
Nonrecurring costs- training for 1987 position increases	...	...	(689)
Nonrecurring costs- vehicles for positions in 1987 Omnibus Drug Supplemental	...	...	(5,044)
Nonrecurring costs- equipment for positions in 1987 Omnibus Drug Supplemental	...	...	(1,752)
Nonrecurring costs- training for positions in 1987 Omnibus Drug Supplemental	...	...	(1,847)
Nonrecurring costs- aircraft program approved in the 1987 Omnibus Drug Supplemental	...	...	(11,500)
Nonrecurring costs- radio equipment for positions in 1987 Omnibus Drug Supplemental	...	...	(2,135)
Nonrecurring costs- technical equipment for positions in 1987 Omnibus Drug Supplemental	...	...	(1,630)
Nonrecurring costs- intelligence center construction	...	...	(7,500)
Total, decreases	...	...	(40,541)
1988 base	5,622	5,486	497,495

Drug Enforcement Administration

Salaries and expenses

Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Savings Due to Management Initiatives	-58	-58	-$911
Uncontrollable increases:			
1. One additional compensable day	...	...	732
The annual salary rate for Federal employees is based on 260 paid days. 1988 has one more compensable day (262) than 1987 (261). (Permanent personnel compensation of $171,790,000 divided by 260 = $641,000 plus $91,000 for benefits.)			
2. Annualization of additional positions approved in 1987	...	395	11,181
This provides for the annualization of 785 additional positions approved in 1987.			

	Approved 1987 Increases	Annualization Required
Annual salary rate of 785 approved positions	$18,976	
Less lapse (50 percent)	-9,488	$9,488,000
Net compensation	9,488	
Associated employee benefits	1,693	1,693,000
Total costs subject to annualization	11,181	11,181,000

This estimate does not include the effect of employees transferring into the Federal Employees Retirement System (FERS).

3. Annualization of Federal Employees' Retirement System Costs	...	...	18,557

This request provides for the additional costs in 1988 necessary to continue implementation of the Federal Employees' Retirement System Act of 1986, P.L. 99-335. This act established a retirement program for Federal civilian employees and postal workers hired after December 31, 1983, who are covered by social security, and for employees under the Civil Service Retirement System who choose to transfer into the new system. The calculations were determined from an OMB approved formula. Additionally, $1,683,000 of the 1987 requirement was absorbed. Total annualization required is $18,557,000.

	Perm. Pos.	Work-years	Amount
4. Annualization of 1987 pay increase ..... This request provides for the annualization of the January 4, 1987, pay increase. The calculation of the amount required for annualization is based on 68 paid days (October 1, 1986 through January 3, 1987) which were not included in the pay raise amount of $2,593,000. Total annualization required is $4,806,000.	...	...	$4,806
68/261 x pay raise amount for 1987 ..... $1,301,000 1987 absorption of pay ..... 3,505,000 Total annualization 4,806,000			
5. Within-grade increases ..... This request provides for an expected increase in the cost of within-grade increases. This increase is generally consistent with increases experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $1,610,000 and benefits $225,000 = $1,835,000).	...	...	1,835
6. Retirement contributions - Social Security (FICA) ..... Beginning January 1, 1985, the base on which earnings for Social Security computations are calculated increased from $37,800 to $39,600. Additionally, beginning January 1, 1986, the base for computation increased to $42,000 and the rate changed from 7.0 to 7.15 percent. This increase is computed for 4,786 eligible employees.	...	...	36
7. Medicare costs ..... Beginning January 1, 1985, the base on which earnings for medicare computations are calculated increased from $37,800 to $39,600. Additionally, beginning January 1, 1986, the base for computation increased to $42,000 and the rate changed from 1.35 to 1.45 percent. This increase is computed for 5,680 eligible employees.	...	...	7
8. Locality based per diem ..... Public Law 99-234 authorized a new locality-based per diem and lifted the $75.00 ceiling in certain geographic areas. An uncontrollable increase of $2,000,000 is required to meet the expected 10 percent increase to total travel costs.	...	...	2,000

		Perm. Pos.	Work-years	Amount
9.	Federal Employees' Compensation Act (FECA) - Workers' Compensation ..... This increase reflects the billing provided by the Department of Labor for the actual costs in 1986 of employees' accident compensation. The 1988 amount will be $4,280,000 or $172,000 over the 1987 base.	...	...	$172
10.	GSA rent ..... In 1987, the Rent System replaces the Standard Level User Charges (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $4,781,000 is required to meet our commitment to GSA.	...	...	4,781
11.	GSA recurring reimbursable services ..... Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.2 percent increase of $204,000 in fees for these services in 1988 over 1987 charges of $4,854,000.	...	...	204
12.	Federal Telecommunications System (FTS) ..... The General Services Administration has advised of a 16 percent increase in Federal Telecommunications System (FTS) intercity costs for 1986. This increase is mainly due to unanticipated tariff increases, savings GSA had built into their original budget estimate which will not materialize and 1985 costs which were not billed by GSA last year. An increase of $417,000 over the 1987 base of $4,676,000 is requested.	...	...	417
13.	Telephone service ..... On February 25, 1986, the District of Columbia Public Service Commission (PSC) issued its final order in the Chesapeake and Potomac telephone company (C&P) rate case. The PSC, in its order, allowed C&P to increase its rates by $31 million and set the rates for C&P's intrastate services. The PSC order affects the rates the Federal Executive Agencies will pay for basic exchange service, CENTREX services, service connections, direct inward dialing services and channel services. These changes will increase the 1987 cost of operating the Justice Telecommunications Service (JTS) by an estimated $552,000. An increase of $42,000 over the 1987 base of $660,000 is requested to pay DEA's portion of these charges.	...	...	42
14.	GPO printing costs ..... The Government Printing Office (GPO) is currently projecting a 3 to 4 percent increase over the 1987 printing cost of $399,000. An additional $12,000 will be required in 1988.	...	...	12

	Perm. Pos.	Work-years	Amount
15. Employee data and payroll services ..... Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems maintenance and payroll accounting are based on the number of records maintained. The rate of $145.64 per record in 1986 will be raised to $155.76 per record for 1988. The change is based on anticipated uncontrollable cost increases of 6.9 percent for the operation of the Justice Employee Data Service. An increase of $215,000 has been included to improve the Human Resources Management Information system (HRMIS). This improvement will enhance the productivity of all Department components as well as the support units of accounting, budgeting and procurement. This retooling of support systems will allow the Department to operate an efficient, effective and businesslike administrative operation.	...	...	$215
16. Foreign allowances ..... Allowances for Government employees in foreign areas are determined by the Department of State. The State Department anticipates a 7.9 percent increase in 1988. The requested increase of $324,000 provides 7.9 percent more than the $4,105,000 budgeted for 1987.	...	...	324
17. Distributed administrative support ..... Under the Foreign Affairs Administrative Support agreement, an annual charge is made by the Department of State (DOS) for administrative support items. The amount of this charge is determined by the DOS. The DOS advises that a 5 percent average increase in foreign operation costs is anticipated. The increase of $742,000 is based on a 1986 base availability of $3,620,000.	...	...	742
18. General pricing level adjustment ..... This request applies OMB pricing guidance as of December 1986 to selected expense categories. The increased costs identified result from applying a factor of 3.5 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1988 estimates.	...	...	2,691
Total uncontrollable increases	...	395	48,754

	Perm. Pos.	Work-years	Amount
Nonrecurring Decreases:			
1. Reduction for change in hourly rate ..... Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985 required that the computation of annual salary rates be based on 2,087 hours rather than 2,080. The same amount that was reduced in 1984 and restored in 1986 is requested for reduction in 1988.	...	...	-$459
2. Reduction in Health Benefits ..... The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1986, the Department's actual contribution to health insurance decreased approximately 6 percent due primarily to reduced carrier rates.	...	...	-269
3. Reduction in per page cost of the Federal Register and the Code of Federal Regulations ..... The Legislative Branch Appropriation Act of 1978 (P.L. 95-941) amended the Federal Register Act to require Federal agencies to reimburse the Government Printing Office for costs of printing, binding and distributing the Federal Register (FR) and the Code of Federal Regulations (CFR). The current cost estimates from GPO indicate a per page cost of $390 for the FR and $55 for the CFR for 1988. This represents an $18 per page decrease for the FR and a $5 per page decrease for the CFR.	...	...	-7
4. Nonrecurring costs for 156 positions included in the 1987 Continuing Resolution (P.L. 99-500)			
a. Nonrecurring costs - background investigations	...	...	-496
b. Nonrecurring costs - motor vehicles	...	...	-1,413
c. Nonrecurring costs - equipment	...	...	-5,164
d. Nonrecurring costs - permanent change of station.....	...	...	-636
e. Nonrecurring costs - training	...	...	-689

	Perm. Pos.	Work-years	Amount
5. Nonrecurring costs for 629 positions approved in the 1987 Omnibus Drug Supplemental (P.L. 99-500)			
a. Nonrecurring costs - motor vehicles	...	...	-$5,044
b. Nonrecurring costs - equipment	...	...	-1,752
c. Nonrecurring costs - training	...	...	-1,847
d. Nonrecurring costs - radio equipment	...	...	-2,135
e. Nonrecurring costs - technical investigative equipment	...	...	-1,630
6. Nonrecurring costs - aircraft program approved in the 1987 Omnibus Drug Supplemental (P.L. 99-500)	...	...	-11,500
7. Nonrecurring of the Intelligence Center construction funding provided in 1987	...	...	-7,500
Total decreases (automatic non-policy)	...	...	-40,541
Total adjustments to base	-58	337	7,302

Drug Enforcement Administration

Salaries and expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Grade and salary ranges	1987 Estimate		1988 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Executive Level III $75,500	1		1		...	
Executive Level V $70,000	1		1		...	
GS-18 $70,000	4		4		...	
GS-17 $70,000	13		13		...	
GS-16 $66,135-69,450	46		46		...	
GS/GM 15 $53,830-69,976	143		144		1	
GS/GM 14 $45,763-59,488	527		530		3	
GS/GM 13 $38,727-50,346	1,555		1,574		19	
GS-12 $32,614-41,141	650		664		14	
GS-11 $27,172-35,326	445		453		8	
GS-10 $24,792-32,148	9		9		...	
GS-9 $22,458-29,199	375		378		3	
GS-8 $20,334-26,436	110		110		...	
GS-7 $18,358-23,866	600		615		15	
GS-6 $16,521-21,498	368		388		20	
GS-5 $14,822-19,268	371		330		-41	
GS-4 $13,243-17,226	165		165		...	
GS-3 $11,882-15,379	84		84		...	
Ungraded positions	21		21		...	
Total, appropriated positions	5,680	$194,196	5,730	$197,331	50	$1,135
Pay above stated maximum rates	...	665	...	1,306	...	641
Lapses	(586)	(23,776)	(217)	(9,873)	369	13,857
Savings due to lower pay scales for part of year	...	(1,301)	...	...	...	1,301
Net full-time permanent	5,094	171,790	5,513	188,764	419	16,974
Part-time permanent	10	214	10	214	...	...
Temporary employment	25	630	25	630	...	...
Other part-time and intermittent employment	20	450	20	450	...	...
Other personnel compensation						
Overtime	34	1,300	35	1,320	1	20
Administratively uncontrollable overtime	615	15,437	669	15,565	54	128
Other compensation	10	1,725	10	1,725	...	...
Total, workyears and personnel compensation	5,816	191,546	6,290	208,668	474	17,122
Average ES Salary		$73,300		$73,900		
Average GS/GM Salary		$36,220		$36,265		
Average GS/GM Grade		11.05		11.25		

Drug Enforcement Administration

Salaries and Expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class		1987 Estimate		1988 Estimate		Increase/Decrease	
		Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1	Full-time permanent	5,034	$171,790	5,513	$188,764	419	$16,974
11.3	Other than full time permanent	55	1,294	55	1,294	...	...
11.5	Other personnel compensation	667	18,462	722	18,610	55	148
	Total, workyears and personnel compensation	5,816	191,546	6,290	208,668	474	17,122
12	Personnel benefits		50,368		72,374		22,006
21	Travel and transportation of persons		24,201		25,247		1,046
22	Transportation of things		5,717		5,769		...
23.1	GSA rent		27,044		32,445		5,401
23.2	Rental payments to others		6,485		6,488		...
23.3	Communications, utilities and miscellaneous charges		24,369		25,535		1,166
24	Printing and reproduction		996		1,008		10
25	Other services		88,235		91,535		3,300
26	Supplies and materials		14,513		14,969		456
31	Equipment		46,153		34,342		(11,216)
32	Lands and structures		7,568		...		(7,568)
42	Insurance claims		125		125		...
	Total obligations	5,816	491,342	6,290	522,047	474	30,793
Relation of obligations to outlays:							
	Obligated balance start of year		76,865		93,845		
	Obligated balance, end of year		(93,845)		(104,366)		
	Outlays		474,362		511,526		

Drug Enforcement Administration

Salaries and expenses

Status of Construction and Summary of New Facilities Requirements
(In thousands of dollars)

Project	Capacity	Budget Request or Appropriation: Planning and Site Acquisition Fiscal Year	Planning and Site Acquisition Amount	Construction Fiscal Year	Construction Amount	Total Funding	Total Current Cost Estimate	Current Status - January 1987: Obligation to Date	Current Status - January 1987: Stage of Programs	Expected Completion Date	Expected Activation Date
Partially funded:											
El Paso Intelligence Center	...	1987	...	1987	$7,500	$7,500	$7,500	...	Pursuant to P.L. 99-500, funding to be released upon submission of detailed plan to Congress by July 1, 1987.	April, 1988	April, 1988

1065

OPENING STATEMENT

Mr. DWYER. The Committee is pleased to welcome back the Administrator of DEA, Mr. John C. Lawn. Mr. Lawn, you may proceed with your statement and at your own pace.

Mr. LAWN. I thank you, Mr. Chairman.

I am pleased to have the opportunity to appear before you today to discuss the 1988 budget request of the Drug Enforcement Administration.

I would like to take this opportunity to thank the Congress, and this subcommittee, for its support. The passage of the 1983 OCDE and 1985 drug initiatives supplementals, the Comprehensive Crime Control Act of 1984, and the Anti-Drug Abuse Act of 1986 have and will continue to strengthen the overall U.S. Government and DEA enforcement capabilities. We are now beginning to see tangible results from our efforts.

1988 BUDGET REQUEST

This request reflects the Administration's dedication to a drug-free society in America. In this year's State of the Union Message, the President called for continuing the crusade against drugs to defeat the scourge of drug abuse, the principal cause of criminal activity. Consistent with the President's commitment to fiscal responsibility, the Nation's war on drugs remains one of the Administration's top priorities.

DEA has a strategic planning process which provides the agency with comprehensive and long-range plans that serve as the foundation for our annual budget requests. The plan systematically identifies and prioritizes investigative, technological, and management requirements and resources which are necessary to continue the fight against drug trafficking and drug abuse.

DEA's budget request for 1988 is for $522 million and 5,730 permanent positions, of which 2,891 are special agents. This represents a net increase of nearly $32 million and 50 positions above the 1987 appropriation anticipated level. The 1988 budget includes program increases of $24.6 million and 108 positions, including 36 special agents. These increases, however, are partially offset by reductions for management and productivity savings of $911,000 and 58 positions.

A brief description of our proposed program increases are as follows:

A program increase of 15 positions and $12.4 million to provide the necessary resources for the second phase in securing through TEMPEST-rated capability of the office automation system, and necessary support staff.

A program increase of 26 positions and $4.5 million to provide the additional DEA and contracted ADP technical support necessary to meet field and headquarters data entry requirements.

A program increase of 30 positions including 20 special agents, and $2.8 million to establish asset removal teams in the Miami, Chicago, New York, Houston, Washington, D.C. and San Francisco field divisions, and to expand the team in San Diego. These teams will enable DEA to make maximum effective use of the expanded asset forfeiture laws.

A program increase of nine positions including six special agents, and nearly $1 million to provide improved security of staff and facilities.

A program increase of 28 positions including 10 special agents, and nearly $4 million, including $2 million for technical equipment, to provide for special agents and highly skilled technicians trained in the covert installation and adaptation of technical equipment to enhance DEA investigations.

ACCOMPLISHMENTS

DEA has made dramatic gains in arrests of major violators and seizures of assets. For example: The arrest of violators in major cases jumped more than 35 percent between 1985 and 1986, from 9,441 to 12,819. In all, 18,746 drug-related arrests were made during the year.

Convictions in major cases, increased more than 22 percent, from 6,221 to 7,595, between 1985 and 1986.

Assets seized by DEA during 1986 totaled more than $386 million, of which more than 40 percent was currency. The value of assets seized by DEA represents an increase of 51 percent over 1985, when assets valued at $255 million were seized. In 1986, for the first time, the value of seized assets exceeded our appropriation.

Drugs removed in the United States by DEA increased substantially during the fiscal year for example:

Cocaine seized increased by 49.4 percent.

Marijuana and hashish removed jumped 9.4 percent.

Dangerous drugs, which include stimulants, depressants and hallucinogens, were marked by a 76 percent rise in removals.

Although heroin seizures have slightly declined, this is in part due to increased foreign heroin seizures, which have prevented opiates from reaching this country.

The seizure of clandestine laboratories producing illicit drugs also increased dramatically during 1986. Over 430 laboratories were seized in 1986, an increase of nearly 28 percent from the prior year.

STRATEGY

It is now clear that our efforts are becoming both more visible, and indeed, more effective. We are making progress and we have reason to be optimistic about the future. However, our efforts in reducing the supply of illicit drugs must continue to include mobilizing a world-wide commitment to international drug control efforts.

Although statistical performance indicators illustrate the general level of success DEA enjoyed in 1986, the following provides some insight into our cooperative world-wide efforts:

During 1986, DEA initiated Operation FULL PRESS, which is our participation in the multi-agency Operation ALLIANCE. The overall operation includes investigative efforts by DEA, the INS Border Patrol, and the U.S. Customs Service. Operation ALLIANCE is a coordinated effort to combat drug smuggling from Mexico into the United States and includes efforts against heroin, cocaine, and marijuana. As part of this program, 2,800 Border

Patrol agents have been given special authority to investigate suspected drug violators. This initiative has already resulted in the opening of over 150 additional investigations.

DEA coordinated a joint Bolivian/U.S. military/DEA anti-cocaine operation in Bolivia, "Operation BLAST FURNACE." The Operation was a success. Between July 15, and November 15, 1986, the effort accounted for the immobilization of 22 cocaine processing labs, and 24 staging areas, which included airstrips, ranches, warehouses and dormitories. These laboratories had the capacity to produce 15,000 kilograms of cocaine hydrochloride weekly.

Operation PISCES continues as a long-term undercover enforcement effort targeted against the principals of major cocaine organizations, focusing on the monetary proceeds and laundering activities.

Operation PIPELINE continues as a mechanism to train, primarily, State and local officers, on how to interdict drugs and money being transported on the Nation's highway system. In 1986, state, local and INS Border Patrol officers participating in this program seized 4,000 pounds of cocaine, 7,800 pounds of marijuana and $8.7 million cash.

These examples of enforcement operations demonstrate the diversity of DEA's efforts, cooperation at all levels of drug law enforcement, and the achievements possible from coordinated, cooperative efforts.

CRACK PROBLEMS

Also, during 1986, a new drug phenomenon known as "crack" cocaine burst onto the illicit drug scene. "Crack" is an inexpensive, highly addictive form of cocaine that is designed to be smoked but with dangerous physiological and and psychological side effects. The attraction of "crack" is its low price and intense "high".

DEA plans to establish 24 "crack" cocaine task forces around the country in those cities that have a demonstrated "crack" problem and where there is the most potential for meaningful enforcement results against the traffickers of this new, highly dangerous form of cocaine.

INTERNATIONAL DRUG ENFORCEMENT

In addition to enforcement operations, DEA encourages and supports other multinational activities which foster international drug control. The creation of the International Drug Enforcement Conference (IDEC), formed in 1983 at DEA's recommendation has facilitated the cooperation and communication among the Latin American countries and the United States. Until IDEC, there had been no nation-to-nation, face-to-face dialogue by narcotics law enforcement agencies from all these countries. As a result of this union, certain Latin American countries have assumed regional responsibilities and have taken initiatives in narcotics control efforts.

The fourth IDEC meeting was held last June with 13 Latin American nations and the United States participating, and 5 European countries observing. This meeting was the most successful to date, because all countries displayed a greater willingness to work together and develop practical solutions to our mutual problems.

The conference concluded with resolutions in support of regional communications and information systems, drug abuse prevention, regional aircraft interdiction, and regional control of precursor chemicals. Participants unanimously endorsed eradication as the best action for source countries.

Over the past year there has been a shift in emphasis from information sharing to regional enforcement strategies, such as the current campaign to target pilots, aircraft, and clandestine airstrips involved in drug trafficking. In addition, a regional communications and information system has been developed and implemented with the State Department's Bureau of International Narcotics Matters providing secure voice communications and radio teletype. Communications equipment has been installed and is operational in Colombia, Peru, Ecuador, Venezuela, and Bolivia. The fifth IDEC meeting is scheduled for this month in Sao Paulo, Brazil.

While DEA will continue its international enforcement efforts, we believe that cooperation among national and international officials in education programs is a vital key to our continued success. is DEA conducted a European drug prevention seminar in Belgium this past March, and is now in the process of preparing for a seminar to be held in Bonn, Germany, next month. We anticipate participants from the United States Department of Defense; international schools; foreign ministries and the U.S. Embassy in Bonn. We are also preparing for an East Asia Regional Drug Abuse Prevention Seminar tentatively scheduled for this fall.

Finally, I participated actively with the U.S. delegation at the Heads of Narcotic Law Enforcement Agencies (HONLEA) meeting in Vienna where we addressed the problem of international drug abuse and trafficking. At this meeting, we developed recommendations and resolutions regarding international drug control which will be presented to the first United Nations Conference on Drugs this summer in Vienna.

DRUG ABUSE PREVENTION ACTIVITIES

As you are well aware, Mr. Chairman, I regard education and prevention as a fundamental and essential component of our drug control strategy. DEA is sharing information about current drug abuse prevention initiatives with Federal and State governments, national associations, independent organizations, and the private sector. This interagency contact and forum provides the necessary opportunity to discuss current research results and to identify major trends and unmet prevention needs, as well as promote collaboration, identification, and sharing of resources.

Most recently, DEA has consulted with the Center for Disease Control regarding its school health education and teacher training programs, as well as its compendium "School Health in America." DEA has continuing coordination activities with the National Institute on Drug Abuse (NIDA) and the Department of Education. DEA participates in meetings, conferences, and seminars, as well as sharing publications and other materials. Some examples include: NIDA provided DEA with technical assistance in developing a videotape on drug prevention entitled "Say No to Drugs—It's Your Decision."

DEA disseminates NIDA and Department of Education publications and pamphlets, as well as DEA materials, to schools, parent organizations and civic groups through a network of DEA field offices.

DEA participated in the NIDA/National Institute on Alcohol Abuse and Alcoholism (NIAAA) first National Conference on Alcohol and Drug Abuse Prevention.

DEA provided assistance to the Alcohol, Drug Abuse and Mental Health Administration's (ADAMHA) recent national strategy conference to develop the new ADAMHA Office for Substance Abuse Prevention (OSAP).

DEA plans to continue working closely with ADAMHA and the Department of Education to identify needs, priorities for action, goals and objectives, and program options for the field of drug abuse prevention. Monthly coordination meetings with ADAMHA and the Department of Education are being held.

In support of the President's drug prevention program, DEA also undertook several internal management initiatives in 1986. First, a demand reduction section was established in DEA Headquarters to provide a comprehensive coordinating role in agency-wide drug abuse prevention efforts. Second, a full-time special agent was assigned in each of DEA's 19 domestic division offices to serve as a field coordinator for this program. Finally, DEA expanded its current drug abuse prevention program by enlisting the leadership and role model efforts of the Explorer Scout element of the Boy Scouts of America, and introduced the highly successful Sports Drug Awareness Program on the international scene by enlisting the efforts of international athletes and coaches.

In conclusion, we have come a long way and more can be expected from the new resources recently appropriated. We have experienced much success, as well as some profound loses. I see the determination of the country strengthened to bring drug abuse under control; and, speaking for DEA, we are proud to be part of this fight.

This concludes my statement, Mr. Chairman. I shall be pleased to answer any questions you or other members of the committee may have.

[The biographies of the witnesses will be inserted in the record at this point:]

JOHN C. LAWN, ADMINISTRATOR

Mr. Lawn was born and raised in New York City. He received a Bachelor of Arts degree from St. Francis College and a Master of Arts degree from St. Johns University. He also served as a Captain in the United States Marine Corps.

Mr. Lawn joined the FBI in 1967 and served in the Savannah, Georgia, and Washington, D.C. Field Divisions. Mr. Lawn also studied the Russian language at the Defense Language Institute in Monterey, California. In 1973, Mr. Lawn transferred to FBI Headquarters and supervised the handling of inquiries from the House Select Committee investigating the assassinations of Martin Luther King, Jr., and President John F. Kennedy. Mr. Lawn's last appointment in the FBI was as Special Agent in Charge of the San Antonio, Texas Field Division, where he supervised the investigation of the assassination of Federal Judge John H. Wood, Jr.

In 1982, Mr. Lawn was appointed Deputy Administrator of the Drug Enforcement Administration and March 1985 was nominated by President Reagan to be Administrator of the DEA. Mr. Lawn was sworn-in by Attorney General Meese on July 26, 1985.

DONALD P. QUINN

Donald P. Quinn is presently serving as the Assistant Administrator for Operational Support of the Drug Enforcement Administration. Prior to that he served as Assistant Administrator for Administration and Management, Drug Enforcement Administration. His previous appointments include Deputy Assistant Administrator for Administration and Management, Assistant to the Assistant Administrator for Administration and Management, Drug Enforcement Administration; Chief, Organizational Analysis Section, Drug Enforcement Administration; Deputy Comptroller Career Program Manager, U.S. Army Material Command, Department of the Army, Alexandria, Virginia; Senior Management Analyst, Theater Army Support Command, Department of the Army, Worms, Germany; Program Analysis Officer, Office of the Comptroller, U.S. Army Material Command, Washington, D.C. and Chief, Management Systems, Army Aviation Material Laboratories, Fort Eustis, Virginia.

Mr. Quinn was born in Scranton, Pennsylvania on July 9, 1940. He received a Bachelor of Science Degree from the University of Scranton in 1962, a Master of Science Degree from George Washington University in 1966, and is a graduate of the National War College (1983). He served with U.S. Army in Korea and Fort Eustis, Virginia as an Adjutant and Company Commander from 1963-1966.

Mr. Quinn and his wife Bonita have four children.

DAVID L. WESTRATE

Mr. Westrate was born on November 15, 1942, in Grand Rapids, Michigan. He graduated from Michigan State University with a B.A. in Criminal Justice. From 1965 to 1971 he served in the United States Marine Corps Reserve.

Mr. Westrate joined the Bureau of Narcotics and Dangerous Drugs (the predecessor agency to the Drug Enforcement Administration) in 1964. Since 1964 Mr. Westrate has held the following positions at DEA and its predecessor agency: Special Agent, Detroit, Michigan and Los Angeles, California; Staff Assistant, Office of Enforcement; Special Assistant to the Deputy Director for Operations; Assistant Regional Director, Miami Regional Office; Deputy Chief of Operations, Office of Enforcement; Executive Assistant, Office of the Deputy Administrator; Deputy Assistant Administrator for Intelligence, Office of Intelligence; Deputy Assistant Administrator for Enforcement, Office of Enforcement; and Special Agent in Charge, Washington Field Division.

Mr. Westrate was named Deputy Assistant Administrator for Operations in June 1984 and on July 5, 1985, he was appointed to his current position of Assistant Administrator for Operations.

Mr. Westrate is married and has three children. He has been the recipient of the following awards: Meritorious Service Award—1971; Sustained Superior Performance—1972; Quality Step Increase—1972; Special Achievement Award—1972; Quality Step Increase—1974; Quality Step Increase—1975; Special Achievement Award—1980; and The Attorney General's Distinguished Service Award—1983.

Mr. Westrate is a member of the International Association of Chiefs of Police and is on the Board of Directors of the Michigan State University Criminal Justice Alumni Association.

PHILIP V. CAMERO

Mr. Camero was born in Aparri, Cagayan, Philippines on June 16, 1938. He received his Bachelor of Sciences degree in 1972 and his Master of Sciences degree in 1975 from The American University.

Mr. Camero served in the United States Air Force from January 1963 through Janaury 1967. Upon leaving the military service, he joined the civil service as the Chief, Computer Programming Unit at Scott Air Force Base from January 1967 through May 1968. Mr. Camero started as a computer programmer at the US Army Personnel Center Computer Directorate in Washington, D.C. in June, 1968. In August, 1969, he was promoted to Chief, Computer Programming Team. He was again promoted in March 1970 to Deputy Project Manager and in August 1973 became Chief of the Directorate Planning Branch. Mr. Camero moved to Macon, Georgia in January 1978 where he assumed the position of Director, Information Technology Division for the Office of Personnel Management. In June 1980, Mr. Camero returned to Washington, D.C. to work at the Drug Enforcement Administration as the Deputy Assistant Administrator, Office of Information Systems.

Mr. Camero is married and has one daughter.

GENE R. HAISLIP

Gene R. Haislip is presently the Deputy Assistant Administrator of the Office of Diversion Control, Drug Enforcement Administration. Prior to that appointment, he served as Executive Assistant to the Administrator, Drug Enforcement Administration. Previous appointments include Assistant Chief Counsel; Acting Assistant Administrator for Program Planning and Evaluation; Deputy Assistant Administrator for Program Planning and Evaluation; Deputy Assistant Secretary of Health, Department of Health, Education and Welfare; Chief of Congressional Relations; Special Assistant, Office of the Deputy Director, Bureau of Narcotics and Dangerous Drugs; and Attorney, Bureau of Narcotics and Dangerous Drugs, Washington, D.C.

Mr. Haislip was born in Danville, Virginia, on July 14, 1938, and grew up in Norfolk, Virginia. He received a Bachelor of Arts Degree from the College of William and Mary (1960), L.L.B. from the College of William and Mary (1963), and L.L.M. from George Washington University (1966).

JAMES J. HOGAN

Mr. Hogan was born October 9, 1940, in Lexington, Kentucky. He is a graduate of the University of Kentucky with a Bachelor of Science degree in Business Administration with a major in accounting. He is a member of the American Institute of Certified Public Accountants (CPA) and maintains a current license with the State Board of Accountancy, State of Kentucky.

Mr. Hogan was employed by a CPA firm and was Controller and later Treasurer of the retail discount group of a conglomerate in Louisville, Kentucky before entering on duty as a Special Agent of the Federal Bureau of Investigation (FBI) in January 1971.

Mr. Hogan was assigned to the El Paso, Texas and Dallas, Texas offices of the FBI before being transferred to FBI Headquarters as a Supervisor of the Budget Formulation Unit. He has served as Chief of the Budget Unit, Chief of a Program Evaluation Unit and Chief of the Audit Unit of the FBI.

In November 1982, Mr. Hogan was assigned to the Drug Enforcement Administration (DEA) to establish an Audit Section in the Planning and Inspection Division. For his work here, Mr. Hogan received the Association of Government Accountants, Washington Chapter, Outstanding Achievement Award in 1984. In July 1984, he was assigned to the position of Controller of DEA.

JAMES K. WILLIAMS

James K. Williams is presently Budget Officer of the Drug Enforcement Administration. Prior positions held have been in the field of Financial Management in the Drug Enforcement Administration and its predecessor agencies, the Bureau of Narcotics and Dangerous Drug in the Department of Justice, and Bureau of Narcotics in the Treasury Department.

Mr. Williams was born in Paintsville, Kentucky on July 26, 1936. He attended the University of Baltimore and received a Bachelor of Science Degree in Accounting in 1963.

Mr. Williams is married to the former Carolyn Larson, and they have two children.

COCAINE SEIZURES, PRICE AND AVAILABILITY

Mr. DWYER. Thank you, Mr. Lawn.

On page 4 of your statement you talk about cocaine, the amount of cocaine seized increased by 49.4 percent, while marijuana increased by 9.4 percent. What has that done to the street price?

Mr. LAWN. The street price, Mr. Chairman, either has remained stable or has been reduced. In the case of cocaine, there has been a reduction in street price and this reduction is one that had begun several years ago.

Mr. DWYER. Is the price of drugs subject to the vagaries of the market place like most other products, in the case of supply and demand?

Mr. LAWN. Yes, sir. There certainly is a direct correlation between the price of the drug and the availability of that drug on the market.

Mr. DWYER. With an increase in seizures of almost 50 percent in cocaine, does that mean that there has been a significant increase in the amount of cocaine coming into the country?

Has it increased by some tremendous amount to be able to carry that type of seizure loss and at the same time have a reduction in price?

Mr. LAWN. Yes. Certainly, a cultivation in South America has increased substantially.

Mr. DWYER. Then let me phrase the question this way. Can you give me an estimate of how much cocaine was coming into the country in 1982, 1983, 1984, 1985, 1986 up to the current year?

Mr. LAWN. No, sir. We can give you an estimate of the cocaine based on a number of figures, such as emergency room admissions, and price, for example, but that is a variable. I can't give you a fixed amount.

I can give you a range between this amount and that amount consumed within the United States. I could say, for example, between 75 and perhaps 140 metric tons.

Mr. DWYER. A year? A day? A month?

Mr. LAWN. A year.

Mr. DWYER. A year?

Mr. LAWN. Yes, sir.

Mr. DWYER. So it has gone from 75 to——

Mr. LAWN. No, sir. I am saying that in a given year, last year, for example, I don't have the exact figure, but I would say somewhere between 75 and 140 metric tons of cocaine entered the United States.

Mr. DWYER. Can you come up with the same type of figure for the year before and the year before that?

Mr. LAWN. Yes, sir.

Mr. DWYER. Can you do that for the record, please?

Mr. LAWN. Yes, sir. I will.

[The information follows:]

Estimated range of the amount of cocaine entering the United States,[1] *1982–86*

[In metric tons]

Year	Amount
1982	40–65
1983	54–71
1984	75–140
1985	105–107
1986	[2] N/A

[1] Source is the "National Intelligence Estimates."

[2] Estimate for 1986 will not be available until April 30, 1987.

DEA/FBI RELATIONSHIP

Mr. DWYER. You share the responsibility with the FBI for the enforcement of the criminal drug laws. Is that done on a concurrent basis or does one agency supersede the other agency?

Mr. LAWN. No, sir. In 1982, the Federal Bureau of Investigation was given concurrent jurisdiction in Title 21, and in fact, has allo-

cated I think about a thousand agents to work in drug law enforcement, to supplement the work of the Drug Enforcement Administration.

We work closely together. Today, we have supervisors working in FBI headquarters and FBI supervisors working in DEA headquarters. We share space in 17 locations around the country. We work very closely in our domestic enforcement activities.

Mr. DWYER. We understand there has been some discussion about merger of both agencies.

Mr. LAWN. There has been discussion about merger for a number of years; yes, sir.

Mr. DWYER. Would you care to comment on the pros and cons of that type of discussion?

Mr. LAWN. Certainly. I certainly believe that with the scope of the drug problem that we face, it is imperative that we have a single mission agency with the responsibility to enforce the Controlled Substance Act.

The Bureau has supplemented those efforts, but the Bureau also has other priorities such as foreign counter-intelligence, white collar crime and terrorism. I think it is critical with the scope of the drug problem faced by this country that there continues to be a single mission agency responsible for and accountable for the efforts against drug traffickers.

Mr. DWYER. Have you ever extrapolated how much money might be saved if we had a single agency?

Mr. LAWN. No, sir. I have not. Since both agencies work within the Department of Justice, our budgets are prepared in working with one another, so that requests from the FBI are supportive of requests that come from DEA.

As far as the budget requests are concerned, we are not operating at separate purposes. We are doing that work concurrently.

"CRACK" COCAINE

Mr. DWYER. You also mentioned crack and its low price. Why should crack be so available at such a low price?

Mr. LAWN. Yes, sir. Crack is an additional process after the processing of cocaine into cocaine hydrochloride. Because of the manner in which it is used, generally smoked, it can hit the nervous system within six seconds. A very small quantity of crack can be utilized to effect the high, so small a quantity that it can be purchased in major cities around the country for as little as $5.

Mr. DWYER. Can you take a certain amount of cocaine and increase it by adding hydrochloride?

Mr. LAWN. Yes, sir, you can take cocaine hydrochloride, mix it with baking soda and go through a very simple process that can be done in someone's kitchen. The crack can be sold seemingly inexpensively for $5; but, so many grams of crack can be manufactured that actually the price would be substantially more than it would cost someone to purchase cocaine hydrochloride.

The problem we see with crack is the fact that the high is so intense, and the effect on the individual is so overwhelming that the crack user will immediately think about when he or she can come back for more crack.

Dr. Mark Gold from the Cocaine Hot Line has told us that he has dealt with cocaine abusers who didn't feel they had a cocaine abuse problem after having used cocaine for a number of years; however these same individuals who have now tried crack have found that it is almost instantly addictive. These same individuals who were cocaine users for a number of years, now find that their use of crack is out of control.

INTERNATIONAL OPERATIONS

Mr. DWYER. You mentioned a conference in your statement, 13 Latin American nations and five European countries. Is that the one held in Vienna?

Mr. LAWN. No, sir. The conference to which you are referring is the IDEC conference, International Drug Enforcement Conference.

Mr. DWYER. Let's stay with this conference that talks of 13 Latin American nations and five European countries.

Mr. LAWN. Yes, sir, IDEC.

Mr. DWYER. How much cocaine did they seize, those 18 nations? How much heroin have they seized in their own countries, at their own borders? How successful have they been in trying to interdict the flow of drugs?

Mr. LAWN. In the case of Colombia, for example, several years ago, at one lab site, a substantial seizure, 12,000 pounds, was seized and destroyed. They have continued to be effective in Colombia. In Bolivia, as I mentioned, with Operation BLAST FURNACE, 22 cocaine refineries and 24 transshipment sites were seized with a potential for manufacturing 15,000 kilograms a week.

I don't have the cumulative figures from those countries. All of those countries would be involved in cocaine, not in heroin seizures.

Mr. DWYER. What constitutes the principal market for cocaine, what country?

Mr. LAWN. Colombia predominantly.

Mr. DWYER. That is the source. I am talking about the retail market.

Mr. LAWN. The major retail market is the United States.

Mr. DWYER. By a very large amount?

Mr. LAWN. Yes, sir. Initially, a source country like Colombia said that the United States was responsible for the actual cultivation of coca, because if it weren't for our demand, they would find some other commodity to use for their economy. Now, the cocaine problem has surfaced throughout the world, so while we are still the number one consumer, most countries of the world are concerned about the potential of cocaine abuse within their own societies.

DEMAND VS. SUPPLY REDUCTION

Mr. DWYER. Of the monies we are spending in our war against drugs, we are spending about a six-to-one ratio on supply reduction versus demand reduction, if I remember the Attorney General's statement.

Does that sound accurate?

Mr. LAWN. I am sorry, Mr. Chairman, I don't know the ratio.

Mr. DWYER. I think he said we are spending about six-to-one. That is the ratio.

Mr. LAWN. Yes, sir.

Mr. DWYER. Do you think we should be spending more on market reduction rather than supply reduction?

Mr. LAWN. No, sir. I think that enforcement is absolutely critical. I think that we must be dismantling these major organizations, but at the same time we must begin a serious effort to do something about demand reduction.

I don't think that we can sacrifice the enforcement effort, the effort to get the traffickers out of the business, to sacrifice that in order to work on demand reduction.

I think both must be done in balance, but I, for one, take great singular pleasure in recognizing that in DEA's efforts to seize assets, the assets that we are taking from traffickers, are now being used in demand reduction. There is something wonderfully ironic about having the trafficker pay for the problems that he causes within our society.

ASSETS SEIZURES

Mr. DWYER. Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

Let me ask you about your asset seizures that you just talked about. In 1985 I am told you seized $255 million worth of assets. In 1986, that increased to $386 million worth of assets; is that correct?

Mr. LAWN. Yes, sir, that is.

Mr. ROGERS. What impact, if you can tell, have these measures had on the big traffickers?

Are we beginning to disrupt their operations to the point that they are feeling the results of these asset seizures?

Mr. LAWN. Yes, sir. I believe that we have disrupted their activity, and that they are experiencing problems. Historically when we would make arrests at mid-level or at the upper levels they could have readily been replaced because of the tremendous wealth that is engendered by drug trafficking.

Now, with asset seizures, the information we are receiving is that this is having a major impact on the trafficking organizations. Trafficking organizations are changing their patterns of activity. Threats against enforcement personnel in the major countries are increasing, and we think that these threats are surely a sign that we are having some success.

ASSET REMOVAL TEAMS

Mr. ROGERS. You are requesting $2.8 million and 30 new positions to establish asset removal teams.

Mr. LAWN. Yes, sir.

Mr. ROGERS. This would be in Miami, Chicago, New York, Houston, Washington and San Francisco, and for expanding the San Diego team. How would those new teams contribute to what you are already doing?

Mr. LAWN. Initially, when we began the asset program, we began it in one office, in our San Diego office. It was effective in San Diego. We expanded it to several other offices, and based upon the

success, we now believe that we should have an asset removal team in each of our 19 divisional offices around the country.

With this enhancement of personnel, we are requesting 20 special agents to participate in these teams, and these teams will be different from the criminal team that does the investigation. As the case is ready to be indicted, the asset team will then move in and prepare a profile of the financial worth of the trafficker, so that not only can we hope to have the trafficker prosecuted, but we can go after whatever monetary gain he has enjoyed from his trafficking activities. We feel by having these teams in each of our offices around the country that we will have an increasingly positive impact against the drug trafficker.

Mr. ROGERS. What would a team consist of?

Mr. LAWN. A team would consist of several special agents, a prosecutor from the U.S. Attorney's Office, and support personnel.

Mr. ROGERS. Such as?

Mr. LAWN. Someone to put developed information into the computer, clerical personnel, and stenographic personnel.

Mr. ROGERS. Would you have CPAs or financial experts? Is that where the money would have gone?

Mr. LAWN. No, sir. We have the capability within our special agent work force, our backgrounds are diverse. We have individuals within the organization who have, for many years, worked on financial investigations.

This would not require the influx of additional personnel, although in our teams we include personnel from the IRS, and we use any expertise that we can find.

Mr. ROGERS. You say that you seized around $386 million worth of assets in 1986. Can you tell us what you did with it, how much you realized out of that?

Mr. LAWN. Of the $386 million, about $140 million was in cash. The Department of Justice, through the Assets Forfeiture Fund, returned to the Treasury in excess of $50 million during 1986. Based upon our ability to share assets with State and local counterparts working in drug enforcement matters, the Department shared with its State and local counterparts in excess of $24 million.

Mr. ROGERS. Is that the first year that that has been done?

Mr. LAWN. The first year was in 1985, based upon our ability to work on assets from the Comprehensive Crime Control Act of 1984, and 1987 is the first year under the Anti-Drug Abuse Act of 1986 where we had that facility.

Mr. ROGERS. How much went back to the States?

Mr. LAWN. About $24 million.

Mr. ROGERS. How was that allocated to them?

Mr. LAWN. For example, when a local or State law enforcement agency works with DEA or with any other Federal law enforcement agency and the case is brought to trial, the individual entity, be it local or State government, has 30 days to file a request to share some of the assets seized.

Under the Comprehensive Crime Control Act of 1984 we have administrative authority to seize up to $100,000. Anything over $100,000 requires a judicial process, unless the defendant wants the court to look at the seizure.

Based upon the effort of the State and local governments, the determination is made for equitable sharing. If, for example, the Los Angeles Police Department worked hand-in-hand with DEA on a case in which $5 million in cash was seized, they would be entitled to up to 90 percent of whatever was seized in terms of cash.

Mr. ROGERS. Who makes that determination as to who gets what, when?

Mr. LAWN. It really is made jointly. The Los Angeles Police Department, in filing their requests, indicate what they felt their involvement in the case was. We would review that involvement, discuss it with them, and agree or disagree. We have had no disagreements that have come to me about the sharing of those assets.

OPERATION PISCES

Mr. ROGERS. Can you give us some additional details on the PISCES Program? What kind of success you are having in your efforts to combat money laundering?

Mr. LAWN. Yes. In general PISCES is an ongoing operation. It is a money laundering investigation.

In one part of the country we have seized about $25 million as a result of the PISCES operation. It is ongoing, however, and I prefer not to get into specific detail on it.

ASSETS MANAGEMENT

Mr. ROGERS. You said of the $386 million worth of assets recovered, $140 million I think you said was cash, and that you returned around $50 million to the U.S. Treasury.

Mr. LAWN. Yes, sir.

Mr. ROGERS. And you shared some with the local police departments. What happened to the rest?

Mr. LAWN. Some continues to be tied up, as evidence in the judicial process, and other money which hopefully will be shared with our State and local counterparts is tied up in problems associated with getting the administrative handling of those assets taken care of. Some goes to seized assets management expenses.

We have a tremendous backlog of requests from our State and local counterparts as a result of this asset sharing program, and that is something we are working on.

Mr. ROGERS. That is getting to be a rather huge program, with $386 million last year.

I assume this year it would be that much or more. That is getting to be a rather hefty amount of money and property. I assume that you have got a whole host of property on hand in one form or the other.

How are you handling the physical assets, other than cash that you seize?

Mr. LAWN. The assets are all turned over to the United States Marshals Service. They are the custodian for the assets. In some cases the actual handling of the property may be by hiring an individual familiar with horses, if we seize race horses, and have that individual take care of them, and the money to take care of those horses will actually come out of the Assets Forfeiture Fund itself.

The monies associated with taking care of the seized assets actually comes from within the Fund. It is not something that requires any additional expenditure of money outside the Fund itself.

INTERNATIONAL MATTERS

Mr. ROGERS. On the international front, eradication, extradition matters, the program to control the chemicals used in processing cocaine, the CHEMCON Program, and so forth, can you tell us a little about the division of responsibility between you and the State Department, for example, on drug eradication?

Mr. LAWN. Yes, sir. We work very closely with the Bureau of International Narcotics Matters (INM), in the State Department. The State Department would do the funding, for example, of an eradication program in a given country. They would work with DEA on the actual planning of the eradication, and in some cases the verification of the eradication program would become the responsibility of DEA and representatives of the State Department. We work very closely with them.

Mr. ROGERS. And how would you assess the efforts to eradicate?

Mr. LAWN. I think, in general, the efforts have been very successful. Five years ago, there were two countries involved in eradication efforts, with source countries believing that it was a United States problem.

Now, there are, I believe, 14 countries involved in eradication efforts, and every country in the world now concedes that drug abuse is either a real problem or has the potential for becoming a real problem within their own society. So I think the efforts are generally very good.

Mr. ROGERS. Would you say the same about the CHEMCON operation? That is, the control of chemicals used to process cocaine?

Mr. LAWN. Yes. The CHEMCON program has been a most effective program. We would like to see programs like the Chemical Control Program expanded, and have other countries in the world initiate programs similar to the one initiated in the United States.

Mr. ROGERS. Is there anything that Congress can do to help in the efforts between you and State, either in terms of encouraging State or in terms of legislation in any of these efforts?

Mr. LAWN. Thank you, but I think that we are doing what can be done. I don't believe that there is a need for additional legislation at this point to assist in the diversion program. Certainly, we would like to go to the conference in Vienna with the message that our Congress is most supportive of any country that would be involved in working in programs like the CHEMCON Program. But, as far as legislation at this point, I can't think of any.

Mr. ROGERS. It is my understanding that some of the South American countries, the cocaine countries, many of them are on the verge of an anarchy as a result of enormous power amassed by the drug traffickers, indigenous traffickers. Is that a correct assessment?

Mr. LAWN. Yes, sir. It certainly is. When we talk in our country about threats and about intimidation, we need only look at a country like Colombia, where the Minister of Justice, their Attorney General, was assassinated. His replacement, after his tour of duty

was over became a Colombian ambassador to an Iron Curtain country. He was shot five times in an assassination attempt.

Twelve of their Supreme Court judges were killed. Thirty judges were killed. The editor of a newspaper was killed. Thirty reporters were killed for writing articles supportive of anti-drug efforts.

Several hundred enforcement personnel involved in programs are killed each year. Not only was a very close associate of DEA from the Colombian National Police killed within the past six months, but at the time of his assassination, his wife and two children were also shot.

The Government of Colombia is experiencing some very, very difficult times because of their very strong stance against the drug traffickers.

EXTRADITION PROBLEMS

Mr. ROGERS. Has that changed since you extradited——

Mr. LAWN. Carlos Lehder.

Mr. ROGERS. Yes.

Mr. LAWN. It has changed only in that the extradition of Carlos Lehder was a clear indication to the world that Colombia is not backing down on their very strong stance against drug traffickers, because they see the potential, that drug traffickers with the power that drug traffickers and their finances have for actually destroying the society as it currently exists in Colombia and Bolivia and many other countries in South America.

Mr. ROGERS. Has there been any retaliation or attempted retaliation by these people since his extradition?

Mr. LAWN. No, sir. Information always surfaces from sources, some reliable, some not so reliable, about the potential for such activity, but we have not seen any attempts at retaliation.

INTERNAL INSTABILITY IN OTHER COUNTRIES

Mr. ROGERS. Are there other countries in the same throes as Colombia, facing internal instability because of the local drug traffickers?

Mr. LAWN. Yes, sir, certainly. Bolivia is a country that has those same concerns. Peru would have those same concerns. Terrorist activity is increasing in Peru.

That is just in this hemisphere. Mexico is recognizing increasing problems. The Mexican Government has told us that they are concerned because they see an increasing number of weapons being smuggled from the United States into Mexico, so each of these countries potentially are concerned about problems within their own society.

HEROIN PRODUCTION

Mr. ROGERS. Just a minute's worth here about heroin. Is Iran still the largest source of poppy out of the Asian nations?

Mr. LAWN. Yes. The golden crescent, Iran, Afghanistan, and Pakistan, accounts for almost 50 percent of the heroin that comes into the United States. Iran probably is the greatest source for heroin.

Mr. ROGERS. Can the sources in Iran in any form or fashion be linked to the Iranian Government?

Mr. LAWN. No, sir. I have no information of a direct link between the Government of Iran and the cultivation of poppy in Iran. Those countries traditionally have been source countries for opium poppy, and the cultivation in those countries unfortunately continues to increase.

Mr. ROGERS. Who cultivates it in Iran?

Mr. LAWN. Farmers, substantially, because Iran also has a tremendous drug abuse problem internally. Five years ago, the Government of Pakistan professed that there was no drug problem, even though Pakistan is another major source country for opium. Now, the Government of Pakistan is saying that, within this short span of five years, their addict population has gone from zero to 500,000.

Mr. ROGERS. How does the poppy get out of Iran physically? Where does it go to?

Mr. LAWN. The poppy goes from Iran probably into Pakistan. From Pakistan through Europe and other countries, but Europe predominantly, through India, and then through a network of other countries.

Mr. ROGERS. What about Turkey or Lebanon? Is that a transit country for Iranian poppy?

Mr. LAWN. Yes, sir, it is.

Mr. ROGERS. Both are?

Mr. LAWN. Both are, yes, sir.

Mr. ROGERS. Major?

Mr. LAWN. Let me turn to Dave Westrate, our Chief of Operations.

Mr. WESTRATE. Yes, sir. The heroin from that part of the world, I think is a great concern as would be Afghanistan. The flow is from Afghanistan into Pakistan and then into the United States. We are seeing some transiting through Iran, but as Mr. Lawn states, the user population in Iran absorbs an enormous amount of heroin that is trafficked there.

In Lebanon we do see the flow of heroin but also some major hashish cultivation and trafficking in that part of the world.

Mr. ROGERS. Where does that hashish originate?

Mr. WESTRATE. In Lebanon? In the Bekaa Valley and up in that area.

Mr. ROGERS. It originates in Lebanon?

Mr. WESTRATE. Yes, sir, and most of that is shipped to the U.S. in cargo containers on commercial ships.

Mr. ROGERS. Mr. Chairman, I have far exceeded my time. I have more questions. I will come back later.

ASSET FORFEITURE PROCESS

Mr. DWYER. The assets you seized, they are ultimately turned over to the Marshals Service; is that correct?

Mr. LAWN. Yes, sir.

Mr. DWYER. How is that going? Are you pleased with the way that is working out?

Mr. LAWN. Certainly, we are pleased with the asset program. We think that this is having a tremendous negative effect on traffick-

ers. We would like to see the procedure accelerated so that State and local counterparts who work with us receive the assets to which they are entitled under the law considerably more quickly than they are now receiving them.

Now, the turnaround time for those assets is in excess of 100 days. I believe GAO did an audit indicating about 102 days turnaround time. We would like to see a turnaround time of 30 days, so that local police can be able to plan ahead as far as their enforcement activities are concerned, based upon the monies they know they are entitled to.

Mr. DWYER. What you are really saying is you would like to see the Marshals Service turn it around quicker, is that it?

Mr. LAWN. I would like to see DEA, as well. All of us have some culpability in the problem

Mr. DWYER. I am not trying to play one agency against the other.

Mr. LAWN. No, sir. I realize that.

Mr. DWYER. I just want to find out if you are really pleased with the way the Marshals Service is handling it.

Mr. LAWN. I am not pleased with the way any of us are handling it, quite frankly, sir.

ORGANIZED CRIME DRUG ENFORCEMENT

Mr. DWYER. Organized crime drug enforcement, you didn't ask for any increase in that area, nor in the drug supplemental. Can you tell us why? I thought this was kind of your major target at some point.

Mr. LAWN. Yes, sir. The Congress with the $60 million that we received in the Omnibus Drug Supplemental Appropriations Act of 1987, placed us in a position where we received tremendous support as far as agent resources are concerned.

This year, we will graduate almost 450 new agents. The agents, who are currently in training, or will be training this year, will be a part of our entire enforcement effort, the organized crime effort, cocaine effort, and heroin effort.

In 1988, we are focusing on those areas where we feel that there is a shortfall based upon fiscal constraint ADP is a major problem. The asset program is a major problem. The $24.6 million we are asking for is where we feel the focus should be.

AUTOMATED DATA PROCESSING REQUEST

Mr. DWYER. You mentioned ADP. You are requesting 26 permanent positions, and also an estimated 100 contract positions, and $8 million for field data entry support. Tell us a little more about that.

Mr. LAWN. Mr. Camero is in charge of our Office Automation Program.

Mr. CAMERO. I will be very happy to, sir.

Basically, for that part of our program, the workload that is currently in the field divisions relates to the need to input information into various information systems, as well as to retrieve information from them. Primarily, it is to input information such as fiscal and intelligence information.

The package is constructed in such a way that we propose to put contract personnel out in the field divisions as well as to support a certain number of government employees who will retain the institutional knowledge, should the contract lapse or we have problems with contractor personnel. It is basically to support the field function.

ORGANIZED CRIME DRUG ENFORCEMENT

Mr. DWYER. Going back to the organized crime enforcement effort, does the FBI identify organized crime as their special area to investigate?

Mr. LAWN. The FBI has identified organized crime as one of their criminal priorities, yes. If, Mr. Chairman, you are referring to the Organized Crime Drug Enforcement Task Force they are requesting additional personnel for the task forces. That is true.

We have not. We have many assets involved in the OCDETF program, that is the Organized Crime Drug Enforcement Task Force program. In 1987, we plan to do an internal audit of our participation in the OCDETF program to see if additional support is necessary. Right now we think, and the U.S. Attorneys concur, that the support for that program had only one serious failing. That failing was not enough attorneys, which is being addressed by the current U.S. Attorneys budget request.

Mr. DWYER. At one point the GAO was critical of the DEA practice of assigning personnel to that particular unit on a detail basis, instead of designating them on a full-time basis. Would you care to comment on that?

Mr. LAWN. Yes, sir. I think for management control purposes, it is absolutely critical that we maintain control of our own personnel. It would be a very difficult thing to take X number of DEA agents, 500 agents for example, and have them assigned on a full-time basis to the Organized Crime Drug Enforcement Task Force program. In effect we would be creating a new entity.

This is something that was tried in the mid-seventies with a program called ODALE, Office of Drug Abuse Law Enforcement, which was operated out of the White House, where people were specifically designated.

From a management viewpoint, I think that approach would be a mistake. I would rather assign the work hours to the program rather than assigning or divorcing agents from DEA to work on the OCDE program.

Mr. WESTRATE. If I could just add one comment. The Organized Crime Drug Enforcement program is supposed to address the most complex, major cases that we have, and an investigation is developed a considerable way before it is nominated and then accepted into that program.

The difficulty here is that once the case goes over, if there is a cadre of assigned people, you would have to transfer the case to those people, which would be very inefficient, because the case agents, the agents who are handling the informants in the case, the agents who are familiar with the entire background, are the ones who should pursue the case. So, we assign the agents who worked that investigation over to the program for the duration of

that investigation, and it works much better. That, of course, turns up as agent work hours assigned on a temporary basis, but, in fact, it is more efficient.

Mr. DWYER. Is it a safe assumption to say that most of the drug importing and distribution is being done by organized crime?

Mr. LAWN. Generically, organized crime? Organized crime families? Certainly, organized crime families in Colombia have control of cocaine trafficking. Organized crime families in terms of La Cosa Nostra, no, sir. La Cosa Nostra does not have any strong element of control in cocaine and in marijuana. Their predominant role was in heroin, and their power has been diminished severely in the past 18 months by some excellent prosecutions in the United States.

Mr. DWYER. So when you talk about organized crime, you are talking about the organized crime families domiciled in the country of source.

Mr. LAWN. Yes, sir. The organized crime in that line of thought, the Colombian organized crime families do control cocaine trafficking.

OPERATION BLAST FURNANCE

Mr. DWYER. You mentioned Operation BLAST FURNANCE in your statement.

Mr. LAWN. Yes, sir.

Mr. DWYER. Is that continuing?

Mr. LAWN. Yes, sir. Operation BLAST FURNANCE was initiated at the request of the Bolivian Government last year. We, the United States Government, were able to furnish Black Hawk helicopters to assist the Government of Bolivia in attacking refineries in their country.

DEA provided manpower for training and for onsite supervision. At the end of November, the Black Hawk helicopters left Bolivia. They were replaced by other U.S. helicopters. Bolivian pilots are currently in training to fly those helicopters. So operation BLAST FURNANCE will continue this year and, hopefully, for the foreseeable future.

INTELLIGENCE—BOLIVIAN REFINERIES

Mr. DWYER. Does your intelligence indicate that any of those laboratories in Bolivia have re-opened?

Mr. LAWN. Yes, sir. Our intelligence has indicated to us that during the course of the time period, the down period from November until March, several of those refineries have re-opened and are processing cocaine. They will be the immediate targets when operation BLAST FURNANCE begins in the next few weeks.

Mr. DWYER. Mr. Rogers.

BUDGET REQUESTS FOR COCAINE, HERION AND DANGEROUS DRUGS

Mr. ROGERS. Your 1988 request calls for no increase for cocaine, heroin or dangerous drug clandestine lab investigations. Can you explain that?

Mr. LAWN. Yes. As I mentioned earlier, with the $60 million that we received in 1987 as a result of the Omnibus Drug Supplemental Appropriations Act of 1987, resources were provided for us to ad-

dress the area of clandestine labs. We are putting substantially more manpower into clandestine labs. We are hiring additional diversion investigators and hiring almost 450 additional special agents to handle a host of other enforcement priorities.

Our request in 1988 is one in which we hope to address those areas in support of enforcement, which were not addressed in the Omnibus Drug Supplemental Appropriation Act of 1987.

FBI/DEA ENGINEERING RESEARCH FACILITY

Mr. ROGERS. Is there anything in your 1988 budget request for the joint FBI/DEA engineering lab building, or is that all in the FBI?

Mr. LAWN. No, sir. The funding for that is coming out of the FBI budget.

Mr. ROGERS. Not out of yours?

Mr. LAWN. No, sir.

A-76 MANAGEMENT AND PRODUCTIVITY SAVINGS

Mr. ROGERS. Your 1988 request calls for A-76 savings in productivity totalling 58 positions and $911,000, leaving you with a net increase of 50 positions for 1988. Can those reductions be absorbed without substantial impact to your operations?

Mr. LAWN. I would have to say no, because those 58 positions come from not one particular element within the Drug Enforcement Administration, but come from throughout the organzation. They come from training and from the ADP area.

It will certainly cause disruptions. Can it be done? Yes, it can, but not without disruptions.

Mr. ROGERS. Is there a portion of it that can be done without disruption?

Mr. LAWN. When did I stop beating my wife?

Mr. ROGERS. I think you have answered it.

Mr. LAWN. Thank you very much.

GENERAL COMMENTS

Mr. ROGERS. Mr. Lawn, I want to congratulate you and your people, in closing here, for my part, on a good year. I think you have certainly, to use an old phrase, set the woods afire. Probably physically you have done that, too.

But the seizures that you have made and the raids that have conducted around the world are a great tribute to you and the dedication and courage of your people, so I congratulate you.

Obviously you know as well as the rest of us that that is only scraping the surface. We are still flooded with unparalleled floods of drugs and narcotics, in spite of the efforts of your good people, which I guess all goes to show that the answer is not in law enforcement as much as it is in perhaps trying to change the attitudes of people about using the drugs here or elsewhere. I guess that is a chore for the rest of us, but you and your people are doing a good job.

I want to congratulate you.

Mr. LAWN. Thank you very much. I will pass that on to a very dedicated work force.

EDUCATIONAL PROGRAM

Mr. DWYER. In talking about seized assets in your statement, do you use any of the these assets for an educational program?

Mr. LAWN. Yes, sir.

Mr. DWYER. What percentage?

Mr. LAWN. Unfortunately, a small percentage. I say unfortunately a small percentage, because with the seized asset program, the mandate to State and local law enforcement authorities is the money that is derived from the asset program should be used for law enforcement purposes, and in the case of major police departments, some consider putting police officers in class for drug education a good investment.

That is a law enforcement purpose. The Los Angeles Police Department, Chief Daryl Gates uses some of the money for education. It is something endorsed by the International Association of Chiefs of Police, and it is something that I would certainly endorse.

Mr. DWYER. I will come back to that in a second, but does your agency get to use any of the money for education?

Mr. LAWN. No, sir.

Mr. DWYER. It does not.

Now then, you would support a provision that would require local law enforcement agencies to use a certain percentage of their money for educational purposes?

Mr. LAWN. Yes, sir. Some States, in fact, require that when a police department within a given State receives additional money, that a certain portion of the money they receive must go into rehabilitation, must go into treatment, and I would certainly like to see increased efforts to have that money go into education.

DRUG EDUCATION FOR AMERICANS IN EUROPE

Mr. DWYER. There is no doubt about that. Going back to your statement, you mentioned I think you are going to hold a conference in Europe.

Mr. LAWN. We held a conference in Brussels in the spring of 1986.

Mr. DWYER. Was that sort of an educational program?

Mr. LAWN. Yes, sir. We had spoken to the U.S. embassies in Europe, and wanted to initiate a program wherein American dependents attending embassy schools would get the benefit of some drug education programs that we had initiated. We held a conference for our European embassies, to shown them what was available. So that American children going to school in embassy schools in Europe could get the benefit of the same programs that we are making available within the United States.

Mr. DWYER. Is that a concern with our our embassy families going to school in Europe, families of Service people, and other Federal employees? Do we have an indication that that is on the rise?

Mr. LAWN. Yes, sir. Our establishing that program in Europe was based upon the request of embassy personnel and of the joint military command in Europe, to ensure that American dependents overseas were given drug education programs. It was initiated only because there was an interest in that program.

Mr. DWYER. I am led to believe that the military has such a program now.

Mr. LAWN. Yes, sir. And we work very closely with the military in Europe on that program. We try to share the same assets, the same experiences, and are putting together videotapes or are bringing together editors in the United States involved in drug education, to share with the military.

We think it is part of what is necessary on the demand side.

SPORTS DRUG AWARENESS PROGRAM

Mr. DWYER. Tell me, do you bring programs into the school districts in this country?

Mr. LAWN. Yes, sir, we do.

Mr. DWYER. You do?

Mr. LAWN. Yes, sir.

Mr. DWYER. Do you want to describe one of those programs?

Mr. LAWN. Yes, sir. Let me describe for you a program that was begun several years ago. The genesis was the program that a high school coach in Washington D.C. came to us and asked——

Mr. DWYER. I think I know that program.

Mr. LAWN. This program has now expanded to every State within the United States. It is called our Sports Drug Awareness Program. We have spoken to countries throughout the world about using it, at least in their own countries, and this is how it has expanded worldwide.

DEA EDUCATIONAL EFFORTS

Mr. DWYER. I guess what I am trying to get a handle on is what type of a program do you put on in Bonn, Germany?

Mr. LAWN. In Bonn, Germany, we would do, of course, what we did in Brussels. We would bring an educator, a principal of a school, who would sit down with educators, U.S. teachers who are working in those schools, vocational counsellors, to talk about how to deal with an individual who comes in and says he has a drug problem.

We are the facilitators that bring together a Dr. Mark Gold, who talks about the cocaine problem and the principal in the school in the Northeast who has a very effective drug education program to discuss the drug problem.

We just facilitate the sharing of information currently available domestically in international schools.

Mr. DWYER. How many people will be at a conference like the one you anticipate to incorporate in Bonn?

Mr. LAWN. The one that I actually did in Brussels involved about 100 persons from U.S. embassies in Europe.

Mr. DWYER. This same type of group that you take to Bonn and Brussels, would you take it into a school district in this country?

Mr. LAWN. Yes, sir. They are the same people.

Mr. DWYER. And have you taken them into school districts?

Mr. LAWN. Yes, I have. As recently as last week I brought this same group to Massachusetts, where we spoke to 2,000 educators in the State of Massachusetts.

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Mr. DWYER. Who has to originate the idea, the concept, the State and DEA or the State educational association or the State commissioner of education?

Mr. LAWN. Or all of them?

Mr. DWYER. Or altogether?

Mr. LAWN. Yes, sir. In our case, the Governor of the State of Massachusetts has a drug education program, and asked if we would come up and discuss with educators from throughout the State of Massachusetts the programs that exist throughout the country. We did the same thing in San Diego recently with 300 educators.

Mr. DWYER. Have you ever done it in New Jersey, which is my home State?

Mr. LAWN. We are currently working with Governor Kearn in New Jersey. We have done smaller programs, but none to the extent as the one we have just completed.

Mr. DWYER. You say you were working with the Governor? In what regard? To plan such a program?

Mr. LAWN. Yes, sir. I spoke at the National Governors Conference which was held in New Jersey, and explained to the Governors the drug education programs which we initited and are effective in the States.

The Governor of New Jersey hosted that conference. He was most interested in establishing an educational program within the State of New Jersey, and we are currently working with him to see if we can participate in that program.

Mr. DWYER. Thank you. We will have some questions that we will submit to you and you will supply the answers for the record.

[Questions and answers for the record follow:]

QUESTIONS FROM MR. DWYER

Drug Enforcement Administration

Domestic Enforcement

Question:

To what extent do the FBI and DEA jointly develop cases?

Answer:

Over the past four years, the FBI and DEA have developed and maintained a close working relationship. In addition to the Organized Crime Drug Enforcement Task Force cases, the FBI has over 300 joint drug investigations with DEA. The FBI/DEA relationship is based on the Implementation Directive of March 12, 1982, which defines specific roles for each agency.

Common guidelines on informants, undercover activities, and investigations are being developed. This direction will continue with further integration stemming from common national strategies. Common strategies which direct resources against Colombian/South American and Mexican drug trafficking organizations will enable investigators from each agency to work together to dismantle major drug trafficking organizations.

Question:

Have DEA and FBI truly integrated their drug law enforcement efforts or are they working independently?

Answer:

In 1986, DEA and the FBI continued to integrate operations where feasible to promote economy, efficiency and effectiveness.

For example, DEA completed the relocation of its training function from the Federal Law Enforcement Training Center at Glynco, Georgia, to the FBI Academy at Quantico, Virginia, and combined several courses from each agency's curriculum. DEA and FBI instructors jointly teach courses on legal issues, firearms, physical training, special operations and research, management sciences and executive development, and practical exercises. To enhance the effectiveness of FBI special agents, entry level training now includes training in drug law enforcement taught by DEA instructors. In addition, it is not uncommon to find DEA and FBI personnel collocated in several field office operations.

Presently, DEA utilizes the FBI's vehicle maintenance program. Further, DEA is locating its Data Processing Center within the FBI's headquarters to ensure secure computer operations.

To ensure continued progress in the integration of DEA and FBI drug law enforcement efforts, there is a committee for the coordination of FBI/DEA activities which exists to avoid duplication, effect economies and make the operations of the FBI and DEA more effective and efficient. Further, subcommittees meet periodically to identify link-up opportunities, assess progress and isolate obstacles which require elevation for resolution.

OMB Productivity Reductions

Question:

Does OMB expect you to contract out individual positions or functions?

Answer:

OMB expects us to follow the policy in OMB Circular A-76 to compare the price of performing support services with Government employees or commercial sources. In doing so, a thorough management analysis will be completed to determine the most cost effective way to provide these services. Government operations must be made as cost effective as possible before we compete. If commercial sources can provide the same quality service at less cost than the Government, OMB would expect the DEA to contract for the service. If the Government operation proves to be the most cost effective, then the operation would be retained in-house. The A-76 policy does not authorize us to contract for a Government operated function if the contract would cost more. We do have the management option, for activities with 10 or less full-time-equivalent (FTE) employees, to solicit commercial prices without conducting a full management efficiency study of the Government operations, but we must compare total costs and cannot convert if commercial sources are not more economical.

Based on DEA's initial inventory of commercial activities, containing 231 FTE, OMB estimated we could save 58 FTE in 1988. We distributed these potential savings as shown below. The reductions are based on average reductions obtained through the A-76 competitive process and will be appropriately adjusted if we complete our studies and the competitive results prove these reductions were too severe.

We have some concerns that we have included in our inventory positions that cannot be evaluated or competed with commercial sources to determine a more cost-effective operation. We will meet with OMB in the near future to discuss our concerns and propose a revised inventory.

Drug Enforcement Administration
A-76 Reductions in 1988

Program	Positions
Domestic Enforcement	14
DEA Training	3
ADP and Telecommunications	25
Records Management	2
Executive Direction and Control	11
Administrative Services	3
Total	58

OMB Productivity Reductions

Question:

Are there functions within DEA that are possible to contract out?

Answer:

Yes. DEA has already contracted out a number of commercial activities to the private sector. Some examples include:

1) Managerial/administrative training
2) Aircraft maintenance
3) Selected data entry functions
4) Selected computer programming and system design functions
5) Office automation
6) Manual labor supporting the supply equipment functions
7) Selected employees assistance activities
8) Entry of invoice and voucher payments
9) Printing
10) Interpretation and translation
11) Full-field investigations (non-agent personnel)
12) Architectural design
13) Selected research and design of investigative equipment
14) Selected graphics functions
15) Preventive maintenance of radios and office equipment
16) Facilities maintenance of janitorial services
17) Guard services
18) Relocation services

Additional contracts for functions of this type will be pursued in the future as the need arises. DEA is currently pursuing a contract for the processing of asset forfeiture cases which will include additional data entry personnel, and possibly, limited case analysis.

Digital Voice Privacy

Question:

The FBI took the lead in developing and implementing a single, integrated digital voice privacy radio system for FBI, DEA and the Marshals. Are you satisfied with the FBI's progress so far?

Answer:

Although the FBI has the lead for the implementation of the Integrated Digital Voice Privacy (IDVP) radio system, DEA has direct and daily input into the program. Prior to the implementation of an integrated system, many factors need to be considered. This includes issues such as how many radio frequency resources were available to each agency and how many more frequencies would be required to support IDVP. Also, questions regarding the frequency resources within the VHF spectrum versus a combination of VHF and UHF resources were also considered.

The majority of these and other questions have now been resolved. We are proceeding towards the full implementation of IDVP and are satisfied with the progress of the IDVP program.

Question:

How quickly will you be receiving this system in the field?

Answer:

In 1987, DEA will order sufficient fixed, mobile and portable digital voice privacy radios to convert the northeast corridor, including the Boston, New York, Newark and Philadelphia Divisions, to the integrated system. It is our intent to complete the system by the early 1990s.

Question:

Are you reimbursing the FBI for your proportionate share of the cost of the system? If so, how much is requested in 1988?

Answer:

In the President's 1988 budget request, DEA has requested $211,000 for the reimbursement to the FBI for direct staffing provided in support and coordination of the Integrated Digital Voice Privacy System under the FBI's leadership. This amount is a proportionate share of the cost of the management and administrative support of the system. DEA and the FBI are independently funded for the hardware in the system.

Engineering Research Facility

Question:

The FBI has requested funds in 1988 to expand their original design and construction of an Engineering Research Facility in Quantico to include DEA engineering and R&D activities. Why is it necessary for the DEA to collocate themselves with the FBI?

Answer:

At the FBI Academy in Quantico, Virginia, DEA and FBI personnel can consolidate their efforts to research, develop, adapt and provide advanced technical investigative and radio communications devices to its enforcement personnel. There will be little duplication of effort since both agencies will be aware on a daily basis of ongoing and/or proposed projects. Joint contracts will be issued for projects serving both agencies. Laboratories and testing facilities will be shared by both agencies. As a result, both agencies will benefit from this relocation.

Question:

Will the DEA pay a proportionate share of the operations and maintenance costs of the facility?

Answer:

DEA does plan on paying a proportionate share of the operation and maintenance costs of the facility. DEA will occupy approximately 16 percent of that facility. However, at this time, no specific amount has been determined.

Question:

Will DEA experience any costs savings associated with closing down their facilities here in the Washington, D.C. areas?

Answer:

The current annual cost of leased space for DEA's research and engineering function is approximately $178,000. With the move to Quantico, Virginia, DEA anticipates paying a proportionate share of the shared space, operation and maintenance costs of the new joint facility. Because no specific amount has been identified, it now is impossible to report any potential cost savings at this time.

Omnibus Drug Supplemental

Question:

In 1987, the Congress provided DEA an increase of $68,171,000 as part of the Omnibus Drug Supplemental. Can you tell us the status of these appropriations?

Answer:

The $68,171,000 in supplemental funding provided in 1987 has been allocated to program areas of immediate need to allow DEA to achieve the most effective and efficient use of resources. The additional funding will be allocated to the Domestic Enforcement, Foreign Cooperative Investigations, Diversion Control, State and Local Task Forces, Intelligence, DEA Laboratory and Research, Engineering and Technical Operations programs to combat the burgeoning problems of cocaine traffic, manufacture of illicit drugs and to enhance the airwing program. Further, the funding will be used to enhance programmatic efforts in foreign countries that cultivate, process, and serve as transshipment points for the cocaine trade. Cocaine investigative units are being established in major domestic source cities to include emphasis on "crack" cocaine. Also, clandestine laboratory teams are being formulated in Boston, Detroit, Denver, Dallas, Houston, San Diego, San Francisco and Seattle dedicated to the identification and seizure of these labs. The public interest revocation and retail level diversion investigative activities in the Diversion Control program will be emphasized. Also, six new State and Local Task Forces will be established and other existing Task Forces will be augmented. In support of the investigative enhancements, DEA's laboratory services will be augmented. Finally, funding will be used to construct an all source intelligence center to be located at Fort Bliss, Texas, by expanding the El Paso Intelligence Center.

Question:

This supplemental provided an increase of 629 positions for DEA enforcement, almost an 18 percent increase. Are you going to be able to fill all of these positions?

Answer:

DEA expects to have 95 percent of all positions filled as of September 30, 1987. The training schedule during 1987 will permit the filling of the additional 359 agent positions within the total increase of 629 positions appropriated in the Omnibus Drug Supplemental Appropriation Act of 1987. There are eleven basic agent classes of 44 each scheduled to fill these new positions as well as vacancies from existing positions.

Question:

Drug Supplemental funding provided you 315 workyears for these positions, which assumes you will have them onboard for an average of six months. Will you achieve this goal?

Answer:

Based on present hiring plans, DEA projects that it will utilize all 315 workyears in 1987. Further, DEA anticipates reaching 99 percent of the planned total of 5,149 workyears for 1987.

Question:

It appears that you are planning to reprogram resources within your enforcement activity. Why are you planning to shift appropriated funds and positions out of foreign investigations, diversion control and State and local task forces and into domestic enforcement?

Answer:

During 1986, the burgeoning problems of cocaine traffic and the manufacture of illicit drugs reached crisis proportions. In addition to recognizing a need to enhance traditional cocaine investigations, DEA was faced with a requirement to respond to a new drug phenomenon -- "crack" cocaine. Further, the domestic production of illicit dangerous drugs such as methamphetamine, amphetamine, PCP and LSD, as well as new and dangerous drug analogs, continued to play a significant role in the illicit drug market.

This reprogramming action reflects DEA's efforts to reallocate a portion of the resources from the Omnibus Drug Supplemental Appropriation Act of 1987 to areas of immediate need. The major portion of this reallocation involves the movement of 157 positions and $16,764,000 from the Diversion Control program as follows:

- 132 positions and $13,438,000 to the Domestic Enforcement program,
- 25 positions and $1,632,000 to DEA's Laboratory Services program, and
- $1,694,000 for DEA's airwing in the Research, Engineering, and Technical Operations program.

The transfer of positions and associated dollars from the Diversion Control program, to the Domestic Enforcement program, the DEA Laboratory Services program and the airwing, is not a matter of changing priorities, but rather an effort to reallocate these resources so as to reflect DEA's operational requirements and meet the overburdening demands on our resources. Between 1984 and 1986, staffing in the Diversion Control program increased 36 percent and will increase by another 17 percent in 1987. Additional resources at

this time simply could not be absorbed effectively. Further, these resources are urgently needed to enable DEA to focus on the burgeoning problem of the manufacture of illicit drugs in clandestine laboratories. Both diversion of licit drugs and clandestine laboratory investigations fall under the umbrella of dangerous drugs investigative activities. As such, it should be noted that more than 170 of the 241 positions as allocated by Congress are being applied to licit diversion and clandestine laboratory investigations. The remaining positions are being directed towards DEA's primary effort against cocaine as well as the laboratory program required to support that effort.

DEA also seeks to reallocate 37 positions and $1,476,000 from the State and Local Task Forces program, and nine positions and $174,000 from the Foreign Cooperative Investigation program to the Domestic Enforcement program. Those actions will more equitably distribute clerical and administrative support positions to agent positions and will permit DEA to apply investigative pressure against the immediate problems of cocaine and dangerous drug trafficking.

Question:

We are especially concerned about cutbacks in State and local task forces. Don't you think that making State and local law enforcement agencies more aware of the problem and more effective in dealing with it, will produce considerable results?

Answer:

The State and Local Task Forces program is the most effective and productive means to draw on the resources at that level. This program has consistently proven to be an economical way for the Federal Government to achieve significant results in drug enforcement for a minimal investment. The transfer of a portion of the resources provided for this program beginning in 1987 by the Omnibus Drug Supplemental Appropriation Act is only to more equitably distribute support positions to agent positions. The increased agent staff remains intact within this program. DEA will open six new task forces and enhance 12 others in 1987.

Asset Forfeiture

Question:

You request 30 additional positions and $2.8 million to establish asset removal teams in six offices and expand another. How many such teams do you currently have, and how many positions?

Answer:

At present, there are 27 full-time positions dedicated to asset removal teams in DEA field offices. The nine teams average three full-time positions per team and are located in San Diego, Chicago, Miami, Houston, Washington, D.C., New York, San Francisco,

Philadelphia, and Detroit. Asset removal efforts, however, are generally handled as collateral duties and team members are rarely available for uninterrupted asset removal work. It is for these reasons that it is vital that full-time positions be made available for this important work. Experience has shown that dedicated personnel develop an expertise in asset removal which makes them far more efficient and productive in that area than the combined efforts of several people, even though the workyear commitment may be equal.

Question:

On page 20 you identify the results of asset removals by your San Diego team which adds up to about $95 million between 1980 and 1986. Do you have any projections for 1987?

Answer:

In 1986, San Diego was responsible for the seizure of approximately $29 million in trafficker assets. In 1987, that total will probably remain more-or-less constant. There are three full-time team members in San Diego, all of whom are working at full pace. Without additional staffing, it is unlikely that more can be accomplished in 1987. There is of course, always the possibility of an unforeseen large seizure which will boost the projected total beyond the 1986 figure.

Question:

How much do you anticipate seizing with these additional resources?

Answer:

DEA seized a total of nearly $390 million in trafficker assets during 1986. In 1987, we will surely pass $400 million and probably approach $500 million. Because it is now impossible to predict the exact date certain investigations will be terminated and assets seized, it is not possible to provide a firm projection for 1988. We can expect some overall increase due to the increase in workyears being detailed to asset removal team activities and the growing expertise of the personnel staffing those teams.

Question:

What percentage of these seized assets do you eventually return to the suspect?

Answer:

During 1986, DEA returned $2.3 million in assets seized to the owner or lien holder. Measured against total assets seized in 1986, that is a return rate of only 0.6 percent. This is based on current data in DEA's automated assets information system.

ADP Support

Question:

How are field offices currently managing data entry and why do they require additional support?

Answer:

Only limited data entry is performed in the field. Most data entry is accomplished by forwarding forms to headquarters where the data is entered into the appropriate application. Data entry in the field is currently performed by special agents, intelligence analysts and the clerical/technical staff. This type of work results in delays in addressing other investigative and support activities.

Question:

Since you are automating what was apparently a manual or at least less efficient data system, won't there be some personnel savings?

Answer:

There are no anticipated personnel savings since the utilization of contract data entry personnel will allow DEA employees to handle delayed or unaddressed work in a more timely fashion. Since contract data entry personnel are solely dedicated to that task, an additional benefit anticipated by DEA from utilization of these personnel is more timely data entry.

Question:

Local law enforcement agencies have complained about long delays in obtaining their share of forfeited assets as allowed by the Comprehensive Crime Control Act of 1984. Some requests are apparently two years old and the agencies are still waiting. How long does it take DEA to approve such requests?

Answer:

The delay in processing equitable sharing requests is directly related to the delay in processing forfeitures. Because the amount of equitable sharing is based not upon the value of the seizure but upon the amount actually forfeited to the Federal Government, DEA does not process equitable sharing requests until forfeiture proceedings are completed. Given DEA's four-month backlog in processing administrative forfeitures, there is a considerable time lag before processing can begin. In October 1986, the U.S. Marshals Service reported that the average period of time between the date of forfeiture and date of decision on sharing requests at DEA was 102 days. This was at the height of the backlog and processing time has since improved. The U.S. Marshals Service's report also indicated that the requesting agencies contribute to the delay in that nine

percent of the 3,127 requests on file as of October 1986 had request dates later than the forfeiture date. DEA estimates that once the backlog is alleviated, equitable sharing requests will be processed within 10 days of forfeiture. (This applies only to administrative forfeitures valued at or under $100,000. The Attorney General has the authority to rule on judicial forfeitures valued over $100,000.)

Question:

Why are these delays occurring?

Answer:

The delays in forfeiture are caused by a dramatic increase in the volume of seizures and insufficient resources to process the workload. In 1984, DEA seized $84 million in trafficker assets while the 1986 seizure total was $386 million. Further, the Comprehensive Crime Control Act of 1984 changed the ceiling on administrative forfeitures from $10,000 to $100,000, thereby shifting a substantial workload from the court system to seizing agencies. The Act also had the effect of encouraging State and local governments to seek processing of their seizures through the Federal system in order to capitalize on the provisions of the Act. These adopted seizures, coupled with DEA's own increased effort in financial investigations, led to a case workload of 1,000 per month in 1986.

DEA has been the victim of its own success in terms of processing forfeitures and has been unable to match an effective seizure program with an efficient forfeiture processing system. The volume of the seizure caseload is magnified by the lack of resources to process forfeitures. To date, resources have been redirected internally. The total authorized staff for asset forfeiture has recently been increased to 27. In addition, 18 professionals have been detailed from other offices to create a task force to address the backlog. DEA is exploring the feasibility of contracting some of the forfeiture processing functions.

Question:

DEA requests funding for a National Drug Performance Indicators System which potentially will be extended to capture of Federal-wide asset seizure data as well. What would be the relationship of the DEA system to the National Asset Seizure and Forfeiture Program property information system maintained by the Marshals Service to provide Department-wide information on seized assets?

Answer:

The Federal-wide Asset Seizure System (FASS) will be developed as the third component of the Federal Drug Performance Indicator System. The first component, the Federal-wide Drug Seizure System, was implemented in 1987 and the second component, the Federal-wide Drug Arrest System, will undergo development during 1988.

FASS will provide for the collection and summary of statistical information regarding the seizure of assets from drug traffickers by the Federal Government. Like the other components of the Federal Drug Performance Indicator System, it will involve cooperation with several other Federal agencies having involvement in drug law enforcement and may well lead to system and/or reporting modifications within those agencies. It is presently anticipated that the Drug Enforcement Administration, the Federal Bureau of Investigation, the U.S. Customs Service, the U.S. Coast Guard, the U.S. Marshals Service, and the Criminal Division of the Department of Justice will all be involved in this project.

Question:

Does DEA intend for its system to service the Customs Service? If so, has it reached agreement with the Customs Service?

Answer:

Under the umbrella of the National Drug Policy Board, the U.S. Customs Service is a full participant of the National Drug Performance Indicator system.

Foreign Intelligence

Question:

DEA's presence in foreign countries is being expanded. The Administration has also expanded the role and activities of the U.S. intelligence community in an attempt to reduce foreign production and trafficking of drugs destined for the United States. What have been the results of our increased intelligence efforts abroad?

Answer:

The increased intelligence collection has provided the U.S. with a better understanding of the magnitude of the problem in terms of production and trafficking of controlled substances. The insight which has been gained has played a role in the development of short- and long-term planning. We are better equipped to marshal the full range of the U.S. Government agencies from enforcement activities to diplomatic strategies. Several initiatives currently in final planning stages are based, to a large extent, on the enhanced level of intelligence received and developed by DEA.

Question:

Are we obtaining more and better intelligence to target drug traffickers and their organizations?

Answer:

As a result of the increases in personnel and budget, DEA has greatly expanded its intelligence collection and data bases in many of the

Latin American countries. DEA has successfully compiled profiles on the major organizations responsible for production and distribution of controlled substances from that part of the world.

Question:

Has DEA been able to take advantage of the increased intelligence activities or do barriers exist to coordination and sharing of intelligence?

Answer:

Although some legal questions remain regarding the fusion of sensitive/classified information into case files that may be used in a U.S. courtroom environment, DEA has been able to take advantage of many of the assets of the Intelligence Community. Memorandums of Understanding have been formulated and coordinating mechanisms have been established for the sole purpose of exploiting all aspects of the Intelligence Community and the intelligence is flowing quite well.

Organized Crime Drug Enforcement

Question:

Don't OCDE efforts result in prosecution of the major drug organizations, which is the real target of your agency?

Answer:

For most agencies, drug investigations are one of a number of priorities, while for DEA, they are its single mission. Since most OCDE cases progress from DEA cases, the OCDE program can be considered an enhancement of DEA's investigative efforts. DEA targets major drug violators and organizations; however, designation of a case as an OCDE case facilitates interagency investigative and prosecutive cooperation.

Question:

Do you believe you are providing sufficient funds for this effort?

Answer:

The OCDE program has had a rapid growth since its inception and has developed into a stable operating program with significant funding. In 1987, DEA will evaluate the program and its performance levels to determine what operating increases and new resources will be required in the future. If new resources are needed, they will be requested through the appropriate budget mechanism.

Question:

How many of the 762 positions shown as DEA OCDETF represent individuals working on the Task Force Program on full-time basis?

Answer:

The 762 positions shown in the OCDE program for 1988 are determined by an allocation of investigative workhours during each fiscal year. Once the total agent investigative workhours are determined for a particular year, they are converted to agent workyears. For 1988, DEA projects 554 planned full-time agent positions for the OCDE program, while the remaining 208 positions are for field overhead agent workyears and the non-agent positions necessary to support the program.

Training

Question:

How much of your 1986 training fund of $7,235,000 was required for relocation of your facilities from Glynco to Quantico?

Answer:

Total actual funds spent on DEA Training during 1986 was $7,235,000 of which $123,896 was expended for the final stages of the relocation from Glynco to Quantico. The majority of the expenses incurred related to travel of the instructors between Glynco and Quantico, prior to their permanent change of duty station moves, expenses of office moving companies, and rental of office trailers.

Question:

In 1987, DEA will hire and train about 750 additional enforcement personnel. In 1988, the number of new enforcement personnel you must hire and train goes down to 45. Considering the large decrease in training requirements, why don't we see an associated reduction in your 1988 request?

Answer:

In the Justification of Adjustments to Base portion of the 1988 DEA budget, a total $2.5 million in training costs is reflected as non-recurring decreases. The remaining funding is necessary for training of new agents hired to fill vacancies, in-service training of agents and other training programs for the various personnel of DEA.

TEMPEST

Question:

You have a long-term program to TEMPEST DEA hardware and software. Please describe what benefits TEMPEST provides?

Answer:

TEMPEST addresses only hardware and telecommunications. Software security is addressed through the security packages which are part of the data base management system or through other specifically designed software packages to enhance system security.

As a result of separate needs assessments by the DEA, the FBI and the Justice Management Division's Office of Security Programs, it was determined that DEA has a continuing requirement to access National Security Information (NSI). In order to receive, process, or transmit NSI, it is necessary to have encryption at NSA standards and TEMPESTing of all ADP equipment and telecommunications. A system protected to this level will allow DEA to have direct exchange of NSI with other Federal Government agencies, including the Intelligence Community, as required to support narcotics investigations.

Question:

Will the TEMPEST program extend to all DEA activities or only those directly involving intelligence and enforcement? If so, why?

Answer:

All of DEA's ADP and telecommunications activities will be on a single secure network consisting of TEMPESTed hardware and National Security Agency approved encryption devices. This will result in savings for DEA since there will be a single telecommunications network rather than two networks to meet the DEA requirements. Additionally, with increasingly sophisticated techniques being utilized by drug traffickers, the TEMPEST system will provide better protection to the DEA data. In compliance with Department of Justice instructions, DEA and the FBI are currently preparing to locate the DEA Data Processing Center within the FBI. The FBI operates the Department's designated secure computer facility. It will be necessary for the DEA system to meet TEMPEST and encryption standards to operate there.

QUESTIONS FROM MR. REGULA

Asset Forfeiture

Question:

A Washington Post article last November noted that you are seizing more than $1 million every day in assets from drug traffickers. I am very interested in the process by which these seizures are turned back to the U.S. Treasury. I am also interested in the ways that State and local police agencies, through assisting in drug cases, can tap into these seized assets. How exactly does the procedure work for State and local claims on these assets? How is it determined what percentage should go to the local agencies? Are these local agencies then restricted in what activities they can fund with these seized assets?

Answer:

The procedure for State and local police agencies to share in assets seized and forfeited to the United States is set forth in the "Attorney General's Guidelines on Seized and Forfeited Property." (A copy has been provided to the Subcommittee.) Under these guidelines, State and local police agencies may request an equitable transfer of forfeited property to reflect the direct contribution of such agency in the seizure of the property. The amount shared generally is based upon the percentage of participation of the agency in the seizure. In terms of seized cash, the Federal Government may share up to 90 percent of the forfeited amount. With respect to property, the Federal Government may provide up to the entire amount to State and local authorities. The only restriction on use of the shared property is that shared assets must be used for law enforcement purposes, and that the transfer of the assets will result in an increase of law enforcement resources for that specific agency.

Question:

How much will it cost the DEA to establish asset removal teams around the country? Please provide more detail on these teams, such as their precise missions and locations.

Answer:

DEA requests 30 positions and $2.8 million in 1988 to establish asset removal teams in six cities including Miami, Chicago, New York, Houston, Washington, D.C., and San Francisco. Further, resources will be used to expand the existing team in San Diego.

In order to establish an asset removal team in each of DEA's 19 domestic divisions, and provide them with the necessary clerical support and headquarters processing support would require 97 positions and just over $8 million in first year costs.

DEA's domestic divisions are located in:

Atlanta, GA	Los Angeles, CA	San Diego, CA
Boston, MA	Miami, FL	San Francisco, CA
Chicago, IL	Newark, NJ	Seattle, WA
Dallas, TX	New Orleans, LA	St. Louis, MO
Denver, CO	New York, NY	Washington, DC
Detroit, MI	Philadelphia, PA	
Houston, TX	Phoenix, AZ	

The mission of the field teams would be to identify, seize, and turn over to the U.S. Marshals Service, for safekeeping, any and all seizable assets of the individual or organization under investigation. This would relieve the case agent of having to perform this function and allow them to concentrate on the criminal aspects of the case, thereby enhancing the prospects of successful prosecution when the case is brought to trial.

The mission of the headquarters staff is to assure that the centralized asset program data base is accurate and current and, thereby improve the monitoring, reporting and processing for forfeiture of assets seized in any particular case.

Digital Voice Privacy

Question:

The Justice Department's budget request seeks $11.1 million for an Integrated Digital Voice Privacy (IDVP) system to provide secure radio communications among the FBI, DEA and U.S. Marshals. Do I understand that you presently do not have secure radio communications with the FBI and Marshals? What is the state of your present radio systems and what is proposed?

Answer:

At present, the Organized Crime Drug Enforcement Task Force activities (OCDETF) have a limited intercommunication capability with the FBI. Other than this interaction, DEA does not now have secure radio communications with the FBI and the U.S. Marshals.

In DEA, tactical radio communications are provided by a nationwide ultra-high frequency (UHF) law enforcement radio system of mobile, portable and fixed station radios. The DEA UHF radio system provides support for surveillance, license plate queries, suspect information queries and emergency or potentially dangerous situations. DEA currently has six divisions (Los Angeles, San Diego, San Francisco, Seattle, Miami and Atlanta) of a total of 19 Divisions operating on UHF digital voice privacy radio systems. Thirteen divisions have a non-secure system. As the consolidated DEA, FBI, U.S. Marshals Service IDVP system program proceeds, these existing voice privacy systems will be incorporated into the IDVP system. Because of limited frequency resources, the IDVP system will include both UHF

and VHF equipment interconnected to accomplish integration. DEA will also be connected with the FBI's backbone microwave system for command and control of its fixed station transmitters. The approximate conversion will total $40 million and is expected to be completed by 1991.

Engineering Research Facility

Question:

The Department is also seeking $13 million for the construction of an FBI/DEA Engineering Research Facility for the "development of equipment equalling or surpassing that available to the criminal element". What sorts of equipment does this description encompass?

Answer:

The following is a breakdown by type of equipment:

Video Equipment, e.g.
  Special Application Equipment

Transmitters and Receivers, e.g.
  Covertly Worn Transmitters
  Remote Tracking Devices
  Intelligence Kits
  Relay Kits

Audio Recorders, e.g.
  Covertly Worn Recorders

Title III Devices, e.g.
  Pen Registers
  Covert Microphones

Question:

What is presently available to the DEA in terms of such a research facility?

Answer:

Presently, we have no research facilities available other than for the development of prototype equipment. DEA can accommodate one or a few items manufactured in-house. DEA and the FBI contract out for the development and procurement of large volumes of equipment.

Question:

How is the criminal equipment developed? In other words, I am assuming the criminals are not using such research facilities, but, rather, are relying on commercially available equipment for their use.

Answer:

The purchase of criminal equipment is through major manufacturers. The criminals have unlimited resources to keep them supplied. In some instances, DEA has been notified if an unusual amount of equipment has been requested by potential customers.

Question:

Why can't the Department tap into the commercially available facilities presently in place for the latest equipment?

Answer:

DEA purchases and will continue to purchase the majority of its radio communications and technical investigative devices from private industry sources. However, DEA must also have the capability to develop special devices for investigative enhancement of agent safety that are not readily available to the public, or in particular, to drug traffickers. The relocation of DEA to Quantico, Virginia, will not mean the abandonment of the procurement of commercial investigative devices for Federal Government-developed projects. It will, however, mean that DEA will have a greater capability for developing devices that may save lives or result in greater investigative rewards.

Question:

Please provide more detail on this facility, its mission, and its proposed contribution to the fight against drugs.

Answer:

The FBI/DEA Engineering Research Facility's objective is to provide improved technology to our agent workforce and enhance our intelligence and investigative gathering capability. To this end, plans have been laid to collocate FBI and DEA engineering activities in a single facility on the grounds of the FBI Academy. The detailed architectural design has been completed. Construction will be in modules to promote as early as possible use of the facility. Site preparation is now underway.

Question:

I am also interested in its proposed staffing.

Answer:

The proposed staffing based on 1987 resources is as follow:

FBI 250 employees
DEA 40 employees

We have provided the attached "Attorney General's Guidelines on Seized and Forfeited Property" to the Committee in response to Mr.Regula's question regarding asset forfeiture.

Federal Register / Vol. 50, No. 110 / Friday, June 7, 1985 / Notices

DEPARTMENT OF JUSTICE

Office of the Attorney General

Attorney General's Guidelines on Seized and Forfeited Property

AGENCY: Office of the Attorney General, Justice.

ACTION: Notice of Department of Procedures for Seized and Forfeited Property.

SUMMARY: This document sets forth the Department's policy under 21 U.S.C. 881(e) regarding the handling of seized and forfeited property. It is exempt from the notice and comment requirements of the Administration Procedure Act, 5 U.S.C. 553(b) by virtue of 5 U.S.C. 553(a)(2). The Department of Justice has determined that it is not a "major rule" within the meaning of Executive Order No. 12291 or a rule within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601(1).

FOR FURTHER INFORMATION CONTACT: Director, Asset Forfeiture Office, Criminal Division, Room 916, Federal Triangle Building, 315 9th Street, NW., Washington, D.C. 20530, (202) 272-6420.

ATTORNEY GENERAL'S GUIDELINES ON SEIZED AND FORFEITED PROPERTY

I. Statement of Policy

The following guidelines are designed to implement certain asset forfeiture provisions of the Comprehensive Crime Control Act of 1984 pertaining to the disposition of forfeited property, the management and use of the Department of Justice Assets Forfeiture Fund, and the discontinuance of federal forfeiture actions to permit forfeiture by State or local procedures.

The statute directs, "The Attorney General shall ensure the equitable transfer . . . of any forfeited property to the appropriate State or local law enforcement agency so as to reflect generally the contribution of any such agency participating directly in any of the acts which led to the seizure or forfeiture of such property."

This authority is consistent with the Department of Justice's purpose of promoting cooperative law enforcement efforts in drug trafficking and other investigations. The Department intends to manage its asset forfeiture program in a manner designed to enhance this Federal, State and local cooperation.

Title 21, United States Code (U.S.C.), section 881(e), authorizes the Attorney General to dispose of forfeited property by (1) retaining the property for official use; (2) transferring custody or ownership of the property to any Federal, State or local agency pursuant to the Tariff Act of 1930, Title 19, USC, Section 1616; or (3) placing the forfeited cash or proceeds of sale of forfeited property in an appropriation called the Department of Justice Assets Forfeiture Fund (hereinafter "the Fund"). A decision of the Attorney General regarding placing the forfeited property into official use or transferred the property to another agency is not subject to judicial review.

The Law Enforcement Coordinating Committee program will inform State and local law enforcement agencies as to the procedures for requesting an equitable transfer of forfeited property, help facilities the application for transfer of such property, and see that the spirit and letter of the forfeiture provisions of the Comprehensive Crime Control Act of 1984 are implemented in each Federal district.

II. Definitions

A. "Department of Justice investigative bureau" refers to the investigative unit within the Department of Justice that participated in the investigation and seizure of property and is responsible for the processing of the forfeiture arising from the seizure.

B. "Head of the Department of Justice investigative bureau" means the head of that bureau or his headquarters-level designee.

C. "Placing property into official use" means use of forfeited property by a Department of Justice bureau for any official purpose.

D. "Property" means tangible property and cash.

E. "Cash" means currency, negotiable instruments and securities.

F. "State and local agencies" means State and local law enforcement agencies.

G. "Appraised value" means fair market value.

III. Use and Transfer of Forfeited Property

A. Retention of Property for Official Use

a. The Attorney General has the authority to retain any civilly or criminally forfeited tangible property for official use by any Department of Justice bureau.

2. No forfeited cash, nor any proceeds from sales of forfeited property may be transferred to, or retained by, federal law enforcement agencies under the provisions of 21 U.S.C. 881(e) for disposition of forfeited property.

3. Payment of liens and mortgages pursuant to an authorization to place property into official use.

a. Liens and mortgages cumulatively amounting to less than one third of the appraised value of the asset and totalling less than $50,000 will be paid from the Fund at the request of the head of the Department investigative bureau.

b. Payments of liens or mortgages that, in the aggregate, total $50,000 or greater or exceed one third of the appraised value of the asset, will be paid from the Fund at the request of the Department of Justice investigative bureau subject to the concurrence of the Deputy Attorney General.

B. Official Use by Department of Justice Investigative Bureau

1. The Attorney General's authority to place tangible property into official use is delegated to the head of the Department of Justice investigative bureau.

a. In making a decision concerning placing forfeited property into official

use, the head of the Department investigative bureau must consider the financial status of the Department of Justice Assets Forfeiture Fund.

b. Exercise of this delegation of authority is subject to concurrence by the Deputy Attorney General for all property appraised at $750,000 or more.

C. Official Use by Other Department of Justice Bureaus

1. If the Department investigative bureau does not choose to place the forfeited property into official use, the Director, United States Marshals Service will determine appropriate disposal, including screening any remaining property suitable for official use by other Department of Justice bureaus.

a. A decision to place such property into official use is subject to concurrence by the Deputy Attorney General for all property appraised at $750,000 or more.

2. If more than one Department of Justice component wants to retain for official use the same piece of seized and forfeited property, the Deputy Attorney General will determine which component may place such property in official use.

D. Transfer of Property to State or Local Law Enforcement Agencies

1. Attorney General's Authority for Equitable Transfer of Seized Property

a. The Act authorizes the Attorney General to transfer forfeited property to state or local law enforcement agencies that directly participated in the acts which led to the seizure or forfeiture.

b. Tangible property not retained for official use by the Department of Justice investigative bureau is eligible for equitable transfer.

c. Where a participating law enforcement agency petitions for a share in the forfeited property, the Attorney General shall determine an equitable transfer of the property that generally reflects the relative contribution of the participating agencies.

2. Procedure for Determining Equitable Transfer

a. Any state or local law enforcement agency that participates in the acts leading to a Department of Justice seizure for forfeiture may file a request for an equitable transfer of the property.

b. The criteria for determining the equitable transfer of the property will be the same for all requests.

c. In all cases the final decision-making authority rests with the Attorney General or his designee.

3. Requests from Participating Law Enforcement Agencies

a. Within thirty days following the seizure for forfeiture, a state or local agency should submit a written request for an equitable transfer of the property subject to forfeiture.

b. This request must be filed with the local or regional office of the Department investigative bureau responsible for processing the forfeiture.

c. The request must include the following information:

(1) Identification of the property against which the claim is made;

(2) Details regarding the requesting agency's participation, including the amount of money and manpower expended by the state or local agency in pursuing the case;

(3) A statement of the intended use for the property;

(4) A designation of the proper fiscal officer to whom cash or check disbursements can be made;

(5) A designation of the proper official to whom transfer documents should be delivered by the United States;

(6) A designation of the proper party to whom possession should be delivered;

(7) A statement indicating that the transfer is not prohibited under the applicable state or local law;

(8) In instances of a joint application by several state or local agencies, the relative share of each state or local agency; and

(9) A statement that all fees and expenses necessary to effect transfer of title will be paid by or on behalf of the requesting agency not later than the time of transfer.

d. The requesting agency must certify that the information contained in 2(c)(6-7) above is true and correct.

e. Property will be transferred only in cases where the tangible property or cash will be credited to the budget of the state or local agency that directly participated in the seizure or forfeiture, resulting in an increase of law enforcement resources for that specific state or local agency.

f. An information copy of any request will be forwarded to the United States Attorney in the district where the transfer request originated.

4. Procedure for Processing Requests for Equitable Transfer

a. In all cases, the Department investigative bureau field unit receiving the request will prepare a written report that will evaluate the degree of assistance provided by the requesting agency or agencies in the underlying investigation.

b. The equitable share for a participating state or local agency should generally reflect the contribution of the agency participating directly in any of the acts which led to the seizure or forfeiture of the property, including, but not limited to, the following factors:

(1) Which agency initiated the case;

(2) Which agency identified the asset;

(3) The amount of money and manpower expended by the state or local agency in pursuing the case;

(4) Whether or not the state or local agency seized other assets during the course of the same investigation and whether such seizures were made pursuant to state or local law; and

(5) Whether or not the state or local agency could have achieved forfeiture under state law, with favorable consideration given to a state or local agency which could have forfeited the asset(s) on its own but joined forces with the United States to make a more effective investigation.

c. The head of the Department investigative bureau may place tangible property forfeited administratively or judicially into official use in cases in which a state or local agency has filed a request for an equitable share of that property.

(1) In making this decision, the head of the Department investigative bureau must consider the following factors:

(a) The relative needs of both the requesting law enforcement agency and the Department investigative bureau for the particular asset;

(b) The uniqueness of the asset and the likely ability to secure such an asset by other seizures in the near future;

(c) The relative significance of the requesting law enforcement agency's participation in the case, as well as all the other factors pertinent to the determination of equitable distribution as set forth in Part III.B.4.c. above;

(d) The potential of, or likelihood that, the requesting agency will be eligible for an equitable share of property from additional seizures arising from the same investigation or from other seizures in the near future; and

(e) The impact that a decision to place the property into official use might have on Federal, state and local relations in that District.

5. Decision-Making Authority for Determining Equitable Transfer

a. The equitable distribution of an asset forfeited administratively with an appraised value of $1,000,000 or less will be determined by the head of the Department investigative bureau.

(1) The Department investigative bureau's field unit shall forward its report and recommendation to the bureau head for decision.

(2) In making this decision, the head of the Department investigative bureau will consider the report and recommendation forwarded by the field

unit and issue to the requesting agency a written ruling on the request.

(3) A copy of the decision document will be forwarded to the United States Attorney, or to the Criminal Division section chief in a Criminal Division case, and to the Director, United States Marshals Service.

(4) A copy of the decision document will be made available upon request to the Director, Asset Forfeiture Office.

b. In the case of all administratively forfeited property with an appraised value greater than $100,000 and with all judicially forfeited property, the evaluation and recommendation will be forwarded to the appropriate United States Attorney or to the Criminal Division section chief in a Criminal Division case.

(1) The equitable distribution of an asset forfeited judicially with an appraised value of $100,000 or less will be determined by the United States Attorney or the Criminal Division section chief.

(2) In making this decision, the United States Attorney or section chief will consider the reports and recommendations forwarded by the head of the Department of Justice investigative bureau and will consult with the United States Marshals Service.

(3) A copy of the decision document will be forwarded to the Department of Justice investigative bureau, the Director, United States Marshals Service and the Director, Asset Forfeiture Office.

c. In the case of all property with an appraised value greater than $100,000, the United States Attorney or section chief will forward the evaluation and recommendation of the Department investigative bureau, along with his own recommendation, to the Director, Asset Forfeiture Office, who will determine the equitable distribution of those assets.

(1) In making this decision, the Director will consider the reports and recommendations forwarded by the head of the Department of Justice investigative bureau and the United States Attorney or section chief and will consult with the United States Marshals Service.

(2) A copy of the decision document will be forwarded to the Department of Justice investigative bureau, the United States Marshals Service and the United States Attorney or section chief.

d. The Deputy Attorney General will make the final determination of equitable distribution of any asset with an appraised value of $750,000 or greater.

(1) The request will be processed as in § c. above.

(2) A copy of the decision document will be forwarded to the Director, Asset Forfeiture Office, the Director, United States Marshals Service, the United States Attorney or section chief and the Department of Justice investigative bureau.

e. In all cases in which judicially forfeited property is located in a judicial district other than where the judicial proceedings are taking place, the party determining the equitable distribution must consult with the respective United States Attorney prior to determining equitable distribution.

6. Proceeds Placed in the Department of Justice Assets Forfeiture Fund

a. If the federal forfeiture action is not deferred, and the property is not placed into official use or transferred to a state or local agency, it will be sold and the net proceeds of sale will be placed in the Assets Forfeiture Fund.

b. Forfeited cash will be placed in the Assets Forfeiture Fund.

c. All Department of Justice bureaus will promptly notify the United States Marshals Service of any facts affecting seized property. Some relevant facts would include bills, invoices, orders of mitigation and remission, orders of sharing with state or local agencies, orders of designation for official use by Department of Justice components, and appraisals. Based upon these and other factors, the United States Marshals Service should appropriately dispose of the property.

7. Disposition of Forfeited Property

a. State or local agencies may share in seized and forfeited tangible property, and seized and forfeited cash.

b. Any property that cannot be used for law enforcement purposes must be liquidated.

c. Where tangible property is transferred to qualifying state or local agencies, monies from the Assets Forfeiture Fund will not be used to pay liens or mortgages on the property, to equip the property for law enforcement purposes, or to pay salaries.

d. The recipient state or local agency must pay the valid liens and mortgages on the forfeited tangible property prior to the transfer of such property.

e. The recipient state or local agency may be required to pay direct expenses pertaining to the seizure prior to the transfer of tangible property.

f. In the event of an interlocutory sale of property pending forfeiture, the Director, United States Marshals Service first must consult with the United States Attorney, Criminal Division section chief or the Director of the Asset Forfeiture Office in the case of judicially forfeited property, or the head of the pertinent Department investigative bureau in the case of administrative forfeitures, to determine the status of any state or local law enforcement agency requests for equitable sharing

IV. Department of Justice Assets Forfeiture Fund

A. Administration of the Fund

1. The Attorney General delegates t administration of the Department of Justice Assets Forfeiture Fund to the United States Marshals Service. It wil operate under guidelines developed b the Subcommittee on Asset Forfeiture the Department's Forum for Cooperati Strategy and in accordance with Department of Justice financial management policy.

2. The United States Marshals Servi will submit to the Deputy Attorney General on a quarterly basis a financi statement as to the current status of th fund.

3. Copies of the quarterly United States Marshals Service statement wil be provided to the Federal Bureau of Investigation, Drug Enforcement Administration, Immigration and Naturalization Service and the Asset Forfeiture Office to assist the recipient in making decisions as to the use and transfer of forfeited property.

B. Payments Allowable Under Department of Justice Assets Forfeiture Fund

1. Forfeiture cash and proceeds from the sale of forfeited property are to be deposited in the Department of Justice Assets Forfeiture Fund.

2. Money from the Fund may be used for the following:

a. Payment of liens and mortgages pursuant to an order of remission or mitigation;

b. Payment of liens and mortgages pursuant to an order to place into official use.

c. Payment of liens and mortgages pursuant to court order.

d. Payment to equip, for law enforcement purposes, conveyances placed into official use by the Drug Enforcement Administration, and the Immigration and Naturalization Service.

e. Payment of awards;

f. Purchase of evidence; and

g. Reversion to the United States Treasury at the end of the fiscal year of all amounts in excess of $5,000,000.

C. The Following, In Order of Priority, Will Be the Uses of the Forfeited Cash and the Proceeds of Sale of Forfeited Property

1. Payment of expenses incurred by the Department of Justice for the care,

custody and disposal of the seized and forfeited property;

2. Payment of expenses incurred by the Department of Justice in the seizure and forfeiture of the property;

3. Payment of expenses relative to the detention, inventory, safeguarding, maintenance, or disposal of the seized and forfeited property incurred by state and local agencies which assist in the seizure and forfeiture of the property;

4. Payments of orders of mitigation or remission;

5. Payments for orders of equitable sharing with state or local law enforcement agencies;

6. Payments for liens on vehicles placed into official use;

7. Payment of awards;

8. Payment to equip, for law enforcement purposes, conveyances placed into official use by the Drug Enforcement Administration Immigration and Naturalization Service; and

9. Purchase of evidence.

D. Limitation on Use of the Fund

1. The Department of Justice Assets Forfeiture Fund cannot be used to pay any of the following:

a. Salaries; and

b. Where property is transferred to state or local law enforcement agencies,

(1) Liens or mortgages on the property;

(2) Payments to equip the property for law enforcement purposes.

2. Liens and mortgages shall be paid from the Fund only pursuant to an order of remission or mitigation, an order of the court, or an order to place the property into official use.

V. Discontinuance of Federal Forfeiture Actions

A. Deferral of Federal Judicial Forfeiture Proceedings

1. A decision to forego an federal judicial forfeiture proceeding against any seized asset in favor of a state or local forfeiture proceeding requires the personal approval of the United States Attorney after review of the evaluation and recommendation of the concerned investigative bureau.

2. In making this decision, the United States Attorney must consider the status of the Department of Justice Assets Forfeiture Fund.

3. Judicial forfeitures foregone in favor of state or local proceedings are to be reported by the United States Attorney in writing, within five days, to the Director, Asset Forfeiture Office, Criminal Division, United States Department of Justice, Washington, D.C. 20530.

B. Deferral of Federal Administrative Forfeiture Proceedings

1. A decision to forego a federal administrative forfeiture proceeding against any seized asset in favor of a state or local forfeiture proceeding requires the approval of the head of the Department investigative bureau.

2. In making this decision, the head of the Department investigative bureau must consider the status of the Assets Forfeiture Fund and, where appropriate, consult with the United States Marshals Service.

3. Department of Justice investigative bureaus must develop procedures for recording these decisions and providing reports as required.

VI. United States Customs Service Forfeitures

A. Pursuant to Title 28 United States Code, section 524(c), all proceeds from the forfeiture of property under any law enforced or administered by the Department of Justice remaining after payment of expenses for forfeiture and sale authorized by law are to be deposited in the Department of Justice Assets Forfeiture Fund, except to the extent that the seizure was effected by a United States Customs Service officer or that custody was maintained by the Customs Service, in which case the provisions of 19 U.S.C. 1613a (Customs Forfeiture Fund) shall apply.

B. To the extent that the United States Marshals Service may have the capacity to do so, it may store and maintain seized property for the Customs Service.

1. Where the United States Marshals Service maintains custody of property seized by a Customs officer, the Customs Service will reimburse the Marshals Service for the expenses of such custody prior to the deposit of the net proceeds into the Customs Forfeiture Fund.

2. In instances where proceeds are to be deposited in the Department of Justice Assets Forfeiture Fund and the Customs Service, as a substitute custodian, has maintained custody of property seized by the Department of Justice, the Department of Justice will reimburse the Customs Service for the expenses of such custody.

C. Requests for transfers of forfeited property by participating state and local law enforcement agencies in forfeitures where the seizure was effected by a Customs officer of custody was maintained by the Customs Service should be directed pursuant to 19 U.S.C. 1616 to the Customs Service for evaluation and forwarding to the Assistant Secretary of Treasury for Enforcement and Operations with an information copy to the United States Attorney in the district of seizure.

D. In the event of an unresolved dispute concerning whether a given forfeiture constitutes a Customs or Department of Justice forfeiture for purposes of cash or proceeds disposition, or for state and local transfers, the Deputy Attorney General and the Assistant Secretary of Treasury for Enforcement and Operations shall resolve the issue. Where appropriate, they may submit the issue to the Organized Crime Drug Enforcement Task Force Working Group for recommendation.

Dated: May 24, 1985.

Edwin Meese III,

Attorney General.

[FR Doc. 85-13841 Filed 6-6-85; 8:45 am]

BILLING CODE 4410-01-M

Mr. DWYER. Thank you very much.
Mr. LAWN. Thank you very much.
Mr. DWYER. The Committee will stand adjourned until 10:00 a.m. tomorrow morning.

TUESDAY, MARCH 17, 1987.

IMMIGRATION AND NATURALIZATION SERVICE

WITNESSES

ALAN C. NELSON, COMMISSIONER
THOMAS C. FERGUSON, DEPUTY COMMISSIONER
MARK W. EVERSON, EXECUTIVE ASSOCIATE COMMISSIONER
MALCOLM E. ARNOLD, COMPTROLLER
DONALD R. MUELLER, DIRECTOR, BUDGET OFFICE
PAUL SCHMIDT, ACTING GENERAL COUNSEL
RICHARD NORTON, ASSOCIATE COMMISSIONER, EXAMINATIONS
RAYMOND KISOR, ASSOCIATE COMMISSIONER, ENFORCEMENT
ELIZABETH CHASE MacRAE, ASSOCIATE COMMISSIONER, INFORMATION SYSTEMS
ROBERT N. FORD, COMPTROLLER
MICHAEL J. ROPER, DEPUTY COMPTROLLER FOR BUDGET

BUDGET JUSTIFICATIONS

Mr. SMITH. We will continue our review of the Justice Department today with the Immigration and Naturalization Service.

We have with us INS Commissioner Alan C. Nelson.

[The fiscal year 1988 budget justification follows:]

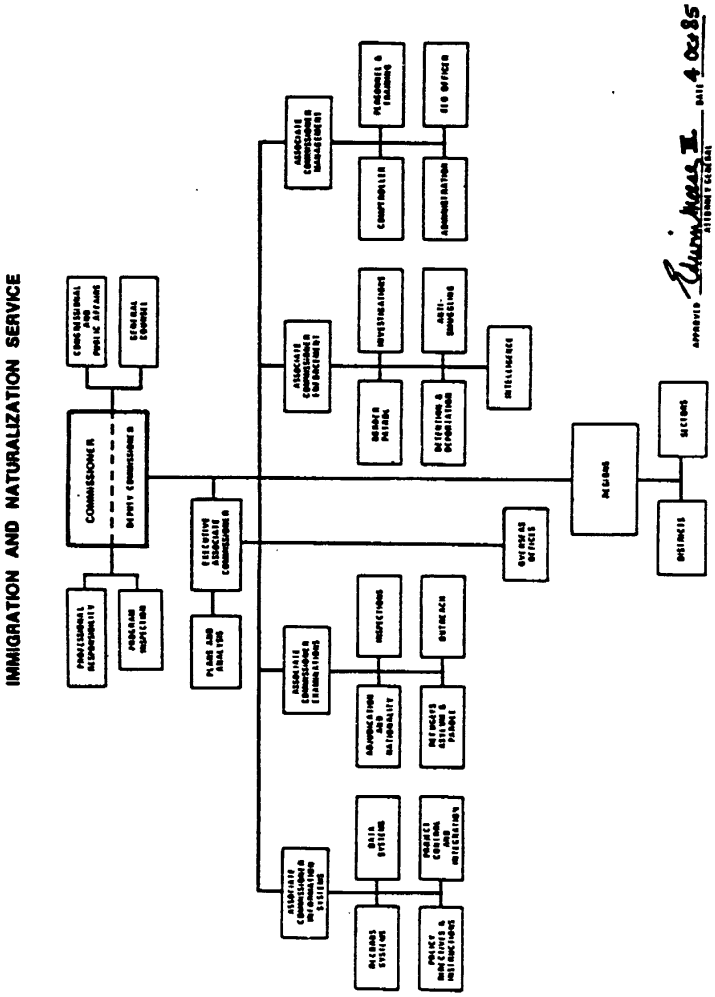
Department of Justice

Immigration and Naturalization Service

Estimates for Fiscal Year 1988

Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes to the Appropriation Language	5
Crosswalk of 1987 Changes	6
Summary of Requirements	8
Summary of Resources by Program	9
Justification of Program and Performance	10
Status of Congressionally Requested Studies, Reports, and Evaluations	51
Priority Rankings	53
Detail of Permanent Positions by Category	54
Summary of Adjustments to Base	55
Justification of Adjustments to Base	56
Summary of Requirements by Grade and Object Class	63
Status of Construction and Summary of New Facilities Requirements	65


IMMIGRATION AND NATURALIZATION SERVICE
COMMISSIONER
DEPUTY COMMISSIONER
CONGRESSIONAL AND PUBLIC AFFAIRS
GENERAL COUNSEL
PROFESSIONAL RESPONSIBILITY
PROGRAM INSPECTION
EXECUTIVE ASSOCIATE COMMISSIONER
PLANS AND ANALYSIS
ASSOCIATE COMMISSIONER (MANAGEMENT)
PERSONNEL & TRAINING
COMPTROLLER
ADMINISTRATION
BIA OFFICES
ASSOCIATE COMMISSIONER (ENFORCEMENT)
INVESTIGATIONS
BORDER PATROL
ANTI-SMUGGLING
DETENTION & DEPORTATION
INTELLIGENCE
ASSOCIATE COMMISSIONER (EXAMINATIONS)
INSPECTIONS
ADJUDICATION AND NATURALIZATION
ENFORCEMENT
DEPORTABLE ALIENS & PANEL
OVERSEAS OFFICES
REGIONS
DISTRICTS
SECTORS
ASSOCIATE COMMISSIONER (INFORMATION SYSTEMS)
DATA SYSTEMS
PROJECT CONTROL AND INTEGRATION
RECORDS SYSTEMS
PROJECT DIRECTIVES & INSTRUCTIONS
APPROVED
DATE 4 Oct 85

Immigration and Naturalization Service

Salaries and expenses

Summary Statement

Fiscal Year 1988

The Immigration and Naturalization Service (INS) is requesting a total of 15,453 permanent positions, 14,159 full-time equivalent (FTE) workyears and $838,828,000 for 1988. This request represents an increase of 2,208 FTE workyears and $106,859,000 over the 1987 anticipated appropriation. The 1987 anticipated appropriation includes a supplemental appropriation request of $146,843,000 to fund partial year start-up costs of implementing the Immigration Reform and Control Act of 1986, P.L. 99-603, as well as the non-Service detention of Mariel Cuban criminals. A more detailed supplemental appropriation request will be forwarded separately.

The mission of the Immigration and Naturalization Service is to administer laws relating to admitting, excluding, detaining, deporting, and naturalizing aliens. The Service inspects persons to determine their admissibility to the United States; prevents illegal entry into the United States; investigates, apprehends, and removes aliens in this country in violation of the law; and adjudicates requests of aliens for benefits under the law.

In addition to the traditional activities of the Immigration and Naturalization Service, this 1988 budget request incorporates the first full year of Service effort towards implementation of the Immigration Reform and Control Act of 1986. Passage of this landmark legislation marked a new chapter in the history of the Service and will have a profound and far reaching impact on its mission and activities. The Service will be completing its staffing and training of new personnel to improve enforcement of the Immigration laws, including the imposition of sanctions against employers of illegal aliens; the expeditious processing and removal of criminal aliens from this country; strengthening control on the Nation's Southern Border; completion of the temporary residency phase of the Legalization program; and implementation of the the Agricultural Worker programs.

Significant workload increases related to the Immigration Reform and Control Act of 1986 will first appear in 1988 (the greater part of 1987 will be spent in hiring and training activities). As a result of the passage of this legislation, new workload indicators appear for the first time in this budget. For example, in the Adjudications program, the categories "Applicants for Temporary Resident Status" and "Applicants Granted Temporary Resident Status" are new additions, as is "Site Visits," in the Investigations program which related to the employer sanctions provisions of the new law.

A summary of the mission and resources for each budget activity and program in INS follows:

Enforcement

This budget activity contains the resources dedicated to both preventing illegal entry to the United States and facilitating the entry of qualified persons. This includes inspection of applicants for admission, patrol of the border, and the appre-

hension of undocumented aliens who are in the United States subsequent to illegal entry or in violation of status after legal entry.

Inspections inspects each person seeking admission to the United States to determine admissibility.

Border Patrol prevents illegal entry, and detects and apprehends aliens smuggled into the United States. In addition to operational responsibilities in the immediate border area, the Border Patrol has enforcement responsibilities in the vicinity surrounding the border. The funding will enable the INS to continue recruiting, training and hiring the additional agents added as a result of the Immigration Reform and Control Act of 1986. Funds will also be used for necessary supporting equipment and supplies.

Investigations detects and prosecutes criminal violators of the immigration laws and general criminal laws, and conducts inquiries to support administrative decisions on applications for benefits and orders for removal. The funding will provide for the placement and training of personnel involved in the employer sanctions program and the location and removal of criminal aliens, as well as traditional investigative activities.

Anti-Smuggling curtails the growth of the undocumented alien population by locating and apprehending alien smugglers, particularly organized alien smuggling operators. The funding will meet current operational needs as well as the provisions of the Immigration Reform and Control Act.

Detention and Deportation detains deportable aliens whose freedom represents a danger to public safety or whose lack of funds or permanent address indicates that they are likely to abscond, and expeditiously processes and removes aliens from the United States. Contract detention funding will support the long-term detention of Mariel Cuban criminals until their repatriation can be arranged with the Cuban government or until another long-term solution to their detention in INS custody can be found. Funding is included to enable the Service to effectively meet the criminal alien provisions of the Immigration Reform and Control Act.

Citizenship and Benefits

The resources necessary to provide the benefits of the Immigration and Nationality Act are provided in this activity. Included are the adjudication of applications and petitions submitted for benefits, and the processing of naturalization and citizenship petitions and applications.

Adjudications and Naturalization adjudicates applications and petitions for benefits provided by the Immigration and Nationality Act and processes aliens eligible for citizenship.

Refugees and Overseas renders decisions on refugee applications.

Immigration Support

This activity includes the resources for construction, communications, records management, automated data processing, personnel training, research and development, field management, legal proceedings and the alien documentation program

(AUIT). In addition, it provides a capability to scientifically examine and analyze documents to assist in the identification, investigation and prosecution of major conspiracies which provide fraudulent documents to smuggled aliens.

Training provides the systematic development of all key occupational skills necessary for the effective enforcement and administration of INS programs including all basic officer training at the Federal Law Enforcement Training Center (FLETC) Glynco, Georgia.

Data and Communications Systems improves INS' effectiveness and efficiency through the use of computers and associated data communications to process information and also provides electronic and communications support to INS' operating elements. Funds will be used for digital voice privacy radio equipment, and the development and implementation of new systems relating to the Immigration Reform and Control Act: apprehensions, case management, employer information, and alien employment eligibility systems.

Information & Records Management provides timely and accurate information to the public, INS, and other enforcement agencies concerning INS plans and activities.

Intelligence provides predictive, tactical and strategic intelligence to INS' policy officials and line managers. Funds will be used to increase intelligence gathering and analysis in the United States and overseas, and for positions and equipment at the forensic document lab.

Research and Development examines the technical problems which tend to impede accomplishment of INS' mission and attempts to develop technological means for their solution.

Construction and Engineering maintains and improves INS' physical plant by designing and constructing new facilities and implementing energy conservation programs.

Field Management & Support provides day-to-day management direction to field units that implement major policy and management decisions made by INS' Central Office management.

Legal Proceedings represents the Federal Government in all cases, matters and administrative hearings in which INS is involved, and provides legal advice and support to INS' operating personnel and managers. Funds are included for attorneys and support personnel to process additional cases arising from passage of the Immigration Reform and Control Act.

Program Direction

This activity provides resources for the overall administration and management of the Service.

Executive Direction and Control establishes and maintains policy and program direction for INS.

Administrative Services provides administrative support to INS operations. This program includes funds for full-field investigations and payroll processing costs and provides administrative support for the officers and personnel requested in other programs.

72-165 O—87——36

Immigration and Naturalization Service

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1988 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For expenses, not otherwise provided for, necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, including not to exceed $50,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and accounted for solely on his certificate; purchase for police-type use (not to exceed 1,670 of which four hundred ninety, [all of which] shall be for replacement only) and hire of passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; and research related to immigration enforcement; [$593,000,000] $838,828,000, of which not to exceed $400,000 for research shall remain available until expended: Provided, That none of the funds available to the Immigration and Naturalization Service shall be available for administrative expenses to pay any employee overtime pay in an amount in excess of $25,000 except in such instances when the Commissioner makes a determination that this restriction is impossible to implement [:Provided further, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: Provide further, That no funds appropriated in this Act may be used to implement Immigration and Naturalization Service reorganization proposals which would have the purpose of or would result in the closing of the Northern Regional Office of the Immigration and Naturalization Service at Fort Snelling, Minnesota: Provided further, That effective immediately before September 30, 1986, $3,385,000 made available for "construction" for the Immigration and Naturalization Service in Public Law 99-88 shall be available for the Immigration and Naturalization Service, "Salaries and Expenses."]

Explanation of Changes:

The first change will accommodate the Service's need for additional passenger vehicles to implement provisions in the Immigration Reform and Control Act of 1986.

The second change deletes language lifting the ceiling on the amount that can be paid for uniforms. The Department's legislative proposal will propose specific uniform allowances for specific categories of employment. The deletion of the language prohibiting the closing of the Northern Regional office at Fort Snelling, Minnesota, was deleted by Congress in the 1987 Appropriation. The $3,385,000 for construction applied to 1986.

Immigration and Naturalization Service

Salaries and expenses

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request	Reprogrammings			Rescissions			1987 Supplementals Requested				1987 Appropriation Anticipated		
											Program						
	Pos.	WY	Amt.	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pay & FERS	Pos.	WY	Amt.
1. Enforcement																	
Inspections	1,580	1,922	$77,711	$160	...	...	-$233	-557	-437	-$14,598	85	11	$2,607	$2,392	1,108	1,496	$68,039
Border patrol	3,694	3,597	165,394	-7,043	-1	-1	-508	...	...	...	1,848	135	25,036	4,898	5,541	3,731	188,579
Investigations	1,020	789	44,655	-1,871	...	...	-135	...	...	...	932	95	26,181	1,371	1,952	884	70,181
Anti-smuggling	323	302	15,344	-549	...	...	-47	...	...	...	67	15	1,658	478	390	317	16,784
Detention and Deportation	1,180	1,217	83,934	-3,214	...	...	-254	...	...	...	464	50	21,973	1,373	1,644	1,267	109,840
Subtotal	7,797	7,827	387,038	-7,189	-1	-1	-1,175	-557	-437	-14,598	3,396	306	78,235	10,512	10,635	7,695	452,823
2. Citizenship and Benefits																	
Adjudications and naturalization	1,239	1,218	47,372	-1,983	...	...	-142	...	...	...	86	91	4,620	1,541	1,325	1,309	51,408
Refugees and overseas	67	118	6,854	-284	-1	-1	-20	...	...	...	40	25	1,498	222	106	142	8,270
Subtotal	1,306	1,336	54,226	-2,267	-1	-1	-162	...	...	...	126	116	6,118	1,763	1,431	1,451	59,678
3. Immigration Support																	
Training	71	72	8,326	-291	-1	-1	-21	...	...	...	19	2	943	235	89	73	9,192
Data and communications systems	190	182	51,655	-2,147	...	...	1,046	...	...	-10,000	19	9	9,766	319	209	191	50,639
Information and records management	1,161	1,210	38,398	-1,601	-1	-1	-115	...	...	...	254	114	4,800	1,075	1,414	1,323	42,557
Intelligence	39	34	1,851	-76	1	1	-6	...	...	...	13	10	501	44	53	45	2,314
Research and development	2	2	$37	-23	...	...	-2	...	...	...	...	...	...	4	2	2	516
Construction and engineering	17	19	6,226	-262	-1	-1	-19	...	...	...	2	1	39,226	45	18	19	45,216
Field management and support	305	287	14,328	-601	1	1	-43	...	...	...	8	2	125	494	314	290	14,303
Legal proceedings	238	219	12,021	-501	1	1	1,800	...	...	...	370	35	3,854	486	610	255	17,662
Subtotal	2,023	2,025	133,342	-5,504	...	...	2,640	...	...	-10,000	894	173	59,215	2,706	2,717	2,198	182,399
4. Program Direction																	
Executive direction and control	170	169	8,695	-364	5	5	84	...	...	...	25	10	790	281	200	184	9,486
Administrative services	398	405	26,092	-1,069	-3	-3	-1,387	...	...	...	75	21	3,435	512	470	423	27,583
Subtotal	568	574	34,787	-1,433	-2	-2	-1,303	...	...	...	100	31	4,225	793	670	607	37,069
Total	11,694	11,762	609,393	-16,393	...	...	...	-557	-437	-24,598	4,316	626	147,793	15,774	15,453	11,951	731,969

Congressional Appropriation Actions

The Congress provided $1,000,000 for the implementation of the Systematic Alien Verification for Entitlements (SAVE) Program and annualized the 1986 supplemental of $3,000,000 for the detention of Mariel Cuban Criminals. Funding of $14,584,000 was provided for uncontrollable cost increases. $5,266,000 was included to alleviate the impact of the 1986 reduction pursuant to P.L. 99-177 for the detention and inspections programs. Finally, funds were included in the amount of $883,000 to reduce the lapse rate in the inspections program. The net result was an appropriation $16,393,000 below the agency budget estimate.

Reprogrammings

The reprogramming of positions and budget authority reflects the permanent effect of the September 26, 1986 reprogramming notification. In the narrative accompanying the notification it was stated that the reprogramming was of a permanent nature and would carry into 1987.

Rescissions

The rescission request for $24,598,000 provides for a reduction of budget authority as a result of the availability of funding from immigration inspection fees for payment of inspectors overtime and information systems/data processing costs.

Supplementals Requested

1. The supplemental request for $147,793,000 and 4,316 positions provides for the implementation of certain major provisions of the Immigration Reform and Control Act of 1986 (P.L. 99-603), the detention of Mariel Cuban criminals, and the funding of increased costs for communications service under the Federal Telecommunications System (FTS).

2. The pay and FERS (Federal Employee Retirement System) request provides $15,774,000 to meet increased pay requirements pursuant to P.L. 99-500 and to meet higher retirement system costs pursuant to the provisions of P.L. 99-335.

Immigration and Naturalization Service

Salaries and Expenses

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos. 1/	Work-years 1/	Amount
Department of Justice Appropriation Act, 1987	11,694	11,762	$593,000
1987 pay and retirement supplemental requested	...	...	15,774
1987 Program supplemental requested	4,316	626	147,793
1987 Rescission proposal	-557	-437	-24,598
1987 appropriation anticipated	15,453	11,951	731,969
Savings resulting from management initiatives	...	-219	-2,572
Transfer of FASS group from General Administration	...	...	20
Uncontrollable increases	...	2,428	146,916
Decreases	...	-1	-37,505
1988 base	15,453	14,159	838,828

Estimates by budget activity/program	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Enforcement	10,635	7,695	$452,823	10,635	9,147	$538,223	10,635	9,147	$538,223	...	...	...
2. Citizenship and Benefits	1,431	1,451	59,678	1,431	1,714	74,593	1,431	1,714	74,593	...	...	...
3. Immigration Support	2,717	2,198	182,399	2,717	2,639	183,813	2,717	2,639	183,813	...	...	...
4. Program Direction	670	607	37,069	670	659	42,199	670	659	42,199	...	...	...
Total	15,453	11,951	731,969	15,453	14,159	838,828	15,453	14,159	838,828	...	...	...

1/ Includes a technical adjustment in the distribution of directly appropriated and reimbursable positions and workyears shown in the Budget Appendix.

Immigration and Naturalization Service

Salaries and expenses

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1986 as Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Enforcement:																		
Inspections	1,580	1,897	$74,053	1,580	1,886	$76,076	1,108	1,496	$68,039	1,108	1,518	$74,667	1,108	1,518	$74,667	...	...	...
Border patrol	3,693	3,638	148,049	3,693	3,542	150,418	5,541	3,731	188,579	5,541	4,157	217,829	5,541	4,157	217,829	...	...	...
Investigations	1,020	789	42,029	1,020	876	41,952	1,952	884	70,181	1,952	1,507	85,617	1,952	1,507	85,617	...	...	...
Anti-smuggling	323	302	15,097	323	292	14,993	390	317	16,784	390	358	19,640	390	358	19,640	...	...	...
Detention and deportation	1,180	1,210	84,120	1,180	1,114	82,404	1,644	1,267	109,240	1,644	1,607	140,270	1,644	1,607	140,270	...	...	...
Subtotal	7,796	7,836	363,348	7,796	7,710	365,843	10,635	7,695	452,823	10,635	9,147	538,223	10,635	9,147	538,223	...	...	...
Citizenship and Benefits:																		
Adjudications and naturalization	1,239	1,218	44,313	1,239	1,317	43,434	1,325	1,309	51,408	1,325	1,540	64,141	1,325	1,540	64,141	...	...	...
Refugees and overseas	66	117	6,356	66	69	6,627	106	142	8,270	106	174	10,452	106	174	10,452	...	...	...
Subtotal	1,305	1,335	50,669	1,305	1,386	50,061	1,431	1,451	59,678	1,431	1,714	74,593	1,431	1,714	74,593	...	...	...
Immigration Support:																		
Training	70	71	9,274	70	74	8,577	89	73	9,192	89	87	9,960	89	87	9,960	...	...	...
Data and communications systems	190	182	48,312	190	164	48,616	209	191	50,639	209	195	63,774	209	195	63,774	...	...	...
Information and records management	1,160	1,209	34,772	1,160	1,146	33,694	1,414	1,323	42,557	1,414	1,488	48,365	1,414	1,488	48,365	...	...	...
Intelligence	40	35	1,719	40	35	1,866	53	45	2,314	53	51	2,709	53	51	2,709	...	...	...
Research and development	2	2	533	2	2	941	2	2	516	2	2	539	2	2	539	...	...	...
Construction and engineering	16	18	6,024	16	18	9,187	18	19	45,216	18	19	14,046	18	19	14,046	...	...	...
Field management and support	306	288	14,116	306	311	14,262	314	290	14,303	314	289	15,961	314	289	15,961	...	...	...
Legal proceedings	239	216	12,772	239	227	12,406	618	255	17,662	618	508	28,459	618	508	28,459	...	...	...
Subtotal	2,023	2,021	127,522	2,023	1,977	125,549	2,717	2,198	182,399	2,717	2,639	183,813	2,717	2,639	183,813	...	...	...
Program Direction:																		
Executive direction and control	175	174	10,061	175	178	10,238	200	184	9,486	200	194	10,814	200	194	10,814	...	...	...
Administrative services	395	402	23,052	395	476	22,652	470	423	27,583	470	465	31,385	470	465	31,385	...	...	...
Subtotal	570	575	33,113	570	654	32,890	670	607	37,069	670	659	42,199	670	659	42,199	...	...	...
Total	11,694	11,768	$74,652	11,694	11,727	$74,343	15,453	11,951	731,969	15,453	14,159	838,828	15,453	14,159	838,828	...	...	...
Reimbursable Workyears		...			...			1,669			3,149			3,149			...	
Total FTE Ceiling		11,768			11,727			13,620			17,308			17,308			...	
Other Workyears:																		
Holiday		1,804			1,804			1,924			2,470			2,470			...	
Overtime:																		
AUO		670			670			687			800			800			...	
Other		800			800			827			1,900			1,000			...	
Total compensable workyears		15,042			15,001			17,056			21,578			21,578			...	

Immigration and Naturalization Service

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Enforcement	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inspections	1,108	1,496	$68,039	1,108	1,518	$74,667	1,108	1,518	$74,667	...	...	...
Border patrol	5,541	3,731	188,579	5,541	4,157	217,829	5,541	4,157	217,829	...	...	...
Investigation	1,952	884	70,181	1,952	1,507	85,817	1,952	1,507	85,817	...	...	...
Anti-smuggling	390	317	16,784	390	358	19,640	390	358	19,640	...	...	...
Detention and deportation	1,644	1,267	109,240	1,644	1,607	140,270	1,644	1,607	140,270	...	...	...
Total	10,635	7,695	452,823	10,635	9,147	538,223	10,635	9,147	538,223	...	...	...

This budget activity contains most of the resources dedicated to both preventing illegal entry into the United States and facilitating the entry of qualified persons. This includes inspecting applicants for admission, patrolling the border, locating undocumented aliens who are in the United States following illegal entry or are in violation of status after legal entry, and detaining and deporting illegal aliens.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inspections	1,108	1,496	$68,039	1,108	1,518	$74,667	1,108	1,518	$74,667	...	...	...

Long Range Goal: Ensure that the entry of applicants for admission to the United States is controlled in a manner which is consistent with the national interest, facilitate the entry of qualified applicants, and identify and deny admission to those not qualified; provide support to the Adjudications program by approving or denying applications and petitions for benefits which are sent to ports of entry for adjudication during standby time; and issue Border Crossing Cards at ports of entry.

Major Objectives:

Inspect (in cooperation with other Federal agencies) all applicants for admission to the United States.

Facilitate the entry of qualified persons through ports of entry.

Prevent the entry of inadmissible applicants through ports of entry.

Detect fraudulent documents representing false claims to U.S. citizenship or permanent residence and seize conveyances used for illegal entry.

Adjudicate applications and petitions at ports of entry in order to efficiently use inspector standby time.

Base Program Description: Applicants for admission to the United States are inspected at ports of entry to determine if they are qualified for admission and if so, under what conditions. This process is coordinated with the Department of State, U.S. Customs Service, Department of Agriculture and local port authorities.

Cross-designated inspectors are utilized at both land borders and selected air ports of entry under the dual inspection concept whereby the officers of each agency conduct the primary inspection required by all agencies. "Citizen By Pass," "One-Stop" inspection and foreign pre-clearance inspections have been developed in cooperation with the U.S. Customs Service and the Animal and Plant Health Inspection Service of the Department of Agriculture to facilitate entry for the traveling public and better use of inspection resources at all ports of entry.

Determination of inadmissibility is based on examination of the applicant, related documents or prior information. Local and national lookout systems containing information relating to excludable aliens are available for use at each port of entry. Required documentation is examined to determine validity and relationship to the applicant. Inadmissible aliens are denied entry into the United States. Any criminal activity discovered in the inspection process is referred for appropriate investigation.

Consistent with the Enforcement provisions of the Immigration Reform and Control Act of 1986, additional permanent Immigration Inspectors will be assigned to high risk border ports. These resources are part of a 1987 supplemental appropriations request. The impact of these additional resources will be felt most strongly in 1988, because in 1987 most efforts will be directed toward recruiting, hiring and training these individuals. The goal of this enforcement effort is to improve the rate of detection of fraudulent attempts at entry into the U.S. Recent studies have demonstrated that a small increase in available officer time results in a large rise in detection productivity. The full deployment of Reform Act resources will essentially allow these results to be permanently maintained at major crossing points.

Applications and petitions for a full range of benefits under the immigration law are adjudicated during periods of standby time at most ports of entry during non-peak workload hours.

Applications for Border Crossing Cards are presented directly to ports located on the United States/Mexican border where they are adjudicated and issued by inspection personnel.

Accomplishments and Workload: Accomplishments of the Inspections program are presented in the following table:

Item	1985	1986	Estimates 1987	1988
Persons Inspected-Port of Entry	300,826,336	321,067,196	321,000,000	321,000,000
Persons Inspected-Pre-Inspection	6,830,171	6,974,689	7,000,000	7,000,000
Inadmissible Aliens Intercepted - Port of Entry	570,717	701,072	586,000	768,000
Inadmissible Aliens Intercepted - Pre-Inspection	14,053	18,989	19,000	19,000
Remote Adjudications Completed	668,000	643,797	700,000	700,000
Border Crossing Cards Issued	218,039	233,695	200,000	200,000

During 1986, the Inspections program experienced very high levels of workload. Total inspections were 328 million of which 134 million involved U.S. citizens. Pre-inspection functions at 10 major overseas airports accounted for 6.9 million additional inspections; a total of 720,061 inadmissable aliens were intercepted, equaling a rate of 2.2 detections per 1,000 inspections--up twelve percent from 1985. Improvements in methodology and techniques of detecting fraudulent and malafide attempts at entry into the United States continued throughout the year. Significant rises were noted in measures pertaining to detecting inadmissable alien applicants. For example, between 1985 and 1986 false claims to U.S. Citizenship were up twenty-four percent; alien registration card fraud increased by seventy-two percent; and border crossing card fraud rose by thirty-eight percent. Operational innovations leading to improvements in both border enforcement and facilitation of international travel continued to receive high priority during the past year. The new Nonimmigrant Information System and the National Automated Immigration Lookout System continued to be improved.

Workload figures are expected to rise substantially following implementation of the enforcement provisions of the Reform Act at major border locations. The enforcement provisions mandate that INS improve control of admissions at ports-of-entry; this will be accomplished through deployment of additional officers at high-risk locations, and through institutionalization of the fraud task force concept to all border ports.

With the passage of P.L. 99-500, the Department's 1987 Appropriation Act, an Inspections User Fee Account was established. The legislation, which provides for the collection of a $5 user fee from each alien and U.S. citizen arriving in the U.S. from foreign locations (other than Mexico, Canada or adjacent islands) by commercial air or sea transportation will allow the Inspections program to more fully provide effective services at all airports and seaports nationwide. On a continuing basis INS will be able to supplement its appropriated Inspections resources by charging the Immigration User Fee Account for the cost of existing and new officer positions at certain locations, inspectional overtime, and costs associated with improved fraud detection. Of the total Inspections program annual workload, approximately 13 percent involves inspections that now fall under the provisions of the User Fee legislation. During 1986, 41 million air and sea inspections were completed with 72,000 inadmissable aliens detected.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Border Patrol.....	5,541	3,731	$188,579	5,541	4,157	$217,829	5,541	4,157	$217,829	...	...	...

Long Range Goal: Ensure that the entry of persons into the United States between ports of entry is controlled in a manner which is consistent with the national interest as established and provided by Congress, by preventing entry of persons who have not been inspected and by detecting and apprehending illegal aliens within the United States.

Major Objectives:

Deter uncontrolled entry into the interior of the United States by the rapid detection, interception, and apprehension of illegal entrants before movement to the interior can be achieved.

Interdict drug smugglers, potential terrorists and criminals and deter such entrants from attempting entry.

Cause persons seeking admission to the United States to present themselves at designated ports for inspection.

Base Program Description: Approximately thirty-nine percent of Border Patrol officers' time is devoted to an activity known as linewatch. This activity prevents entry or promptly apprehends entrants after they have illegally crossed the border.

Officers engaged in linewatch are supported by computer monitored electronic ground sensors which alert them to illegal entries. Further support is provided by a fleet of observation aircraft, low light level television systems and infrared viewing devices. The Border Patrol officers use a wide assortment of vehicles adapted to local terrain and operational requirements, including motorcycles, all terrain cycles, boats and horses.

In addition to linewatch, traffic check operations are conducted along major routes of travel to restrict access to the interior by illegal aliens. Transportation centers are placed under surveillance for the same reason. Farm and ranch checks and city patrol operations are conducted to locate illegal aliens who have successfully entered the country.

The recently passed Immigration Reform and Control Act of 1986 mandated a vigorous, comprehensive enforcement effort to discourage, prevent and deter the illegal entry of aliens into the United States. The Border Patrol program will assist in this effort through the implementation of portions of the Employer Sanctions Program, as well as by significantly increasing its overall presence.

Accomplishments and Workload: Accomplishments of the Border Patrol program are presented in the following table:

Item	1985	1986	Estimates 1987	1988
Deportable Aliens Located.....	1,262,435	1,692,544	1,900,000	2,198,200

Item	1985	1986	Estimates 1987	1988
Smuggled Aliens Apprehended	95,741	114,665	127,950	146,530
Smugglers Apprehended	14,678	19,225	21,470	24,350

The Border Patrol apprehended a record 1,262,435 illegal aliens nationwide in 1985, the third consecutive year in which over one million illegal aliens were apprehended along the southern border of the United States. The number of apprehensions did not abate in 1986 with the total reaching 1,692,544. During 1986, southern border apprehensions increased by 29.2 percent to a level of 1,615,854. In addition, the Border Patrol is encountering and apprehending increasing numbers of other than Mexican nationals who are attempting illegal entry into the United States. For 1986, 56,842 illegal non-Mexican nationals from over 80 different countries were apprehended, almost double the number apprehended just three years ago. These upward trends indicate that Mexican nationals are not the only people increasingly seeking illegal entry across our borders.

On October 1, 1986, the Border Patrol stepped-up its drug interdiction efforts by placing special emphasis along the southwest land border. The new role undertaken by the Patrol is part of the Administration's Southwest Border Drug Task Force. This task force, which is coordinated by the National Narcotic Border Interdiction System (NNBIS) is made up of Federal, state and local agencies, and is aimed at cracking down on drugs coming across the southwest border. The Patrol has been assigned the major role for drug interdiction on land between the ports of entry. A selected number of border patrol agents have recently received expanded drug interdiction authority from both the Drug Enforcement Administration (Title 21) and the U.S. Customs Service (Title 19). In 1985, border patrol agents made 885 narcotic seizures, a 26 percent increase over 1984, with a valuation of $119.9 million. During 1986 agents made 1,300 seizures, valued at over $185.9 million.

The Border Patrol Crime Prevention Unit in San Diego, California, and the El Paso and Laredo, Texas, Foot Patrol Units have continued to be successful cooperative law enforcement activities that are conducted by border patrol agents and local police officers. These activities have been valuable in reducing the number of crimes committed against both U.S. citizens and illegal aliens because they facilitate the apprehension of increasing numbers of criminal aliens within border cities and the surrounding border areas.

The Air Operations program is a vital element in the total border enforcement effort. Total flight hours for both rotary and fixed-wing aircraft for 1986 has exceeded 30,000 hours for the third consecutive year. Apprehension assists from these operations are in excess of 100,000 annually. In addition, many lives have been saved as a result of the air operations units, from locating aliens lost in the desert to thwarting crimes being perpetrated by border bandits against aliens crossing the border.

Helicopters have become an essential component of Border Patrol operations in areas with high volumes of traffic. In addition they provide the Patrol with night air capability. Helicopters equipped with light bars provide an added dimension for the interdiction of aliens and enhance officer safety during hours of darkness. An officer's call for assistance will be answered in a rapid manner regardless of the type of terrain.

The Border Patrol has continued to increase its effectiveness by using the latest technological innovations available in detection and surveillance equipment. Those innovations include the use of remote image low light television and the most modern infrared scopes. These devices are invaluable in assisting agents during night operations when the majority of illegal aliens are attempting entry.

The Border Patrol is experiencing, with rising concern, increases in the number of persons seeking entry with criminal intentions, such as border bandits, alien and narcotics smugglers, kidnappers and persons suspected of terrorist involvement. Violence along our borders has been increasing at an alarming rate. This violence is especially prevalent along the southern border where last year there were over 150 recorded assaults against our agents resulting in 93 injuries. The trend has continued this year with 48 reported assaults occurring in 1986. These individuals pose a serious threat to the safety of the citizens of this country. Suspected terrorists must be prevented from entering the country.

The estimated workload is increased in 1988 as a result of passage of the Immigration Reform and Control Act of 1986. Due to this legislation, significant staff increases will begin in 1987 and will be annualized into 1988.

There is no appreciable workload associated with the new positions in 1987 due to hiring beginning well after the start of the fiscal year and the fact that formal training will be required for all officer positions before they actually enter on duty at their new duty stations.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Investigations.....	1,952	884	$70,181	1,952	1,507	$85,817	1,952	1,507	$85,817	...	...	...

Long Range Goal: Control and prevent illegal immigration by enforcing the Immigration and Nationality Act within the interior of the United States; identify violators and gather evidence of violations of the Immigration and Nationality Act and other related criminal laws; and initiate appropriate criminal prosecution or provide information to support administrative action to effect deportations and removals.

Major Objectives:

Ensure the investigation and apprehension of aliens involved in narcotics traffic, subversion, terrorism, and other serious or violent criminal offenses.

Identify employers who hire illegal aliens and deter the employment of illegal aliens.

Prosecute or stop illegal activities by persons or entities who conspire and assist aliens to obtain immigration benefits through the use of fraudulent documentation or schemes to perpetrate fraud.

Prevent aliens from fraudulently or illegally applying for and receiving benefits from government entitlement programs, and support prosecution or civil proceedings to recover benefits illegally obtained.

Investigate matters referred by other Service branches to locate aliens who have absconded from Service proceedings, develop grounds for denial of petitions and applications, and obtain evidence to support other administrative proceedings.

Base Program Description: Investigators detect criminal law violations and identify violators through various covert techniques and administrative procedures, and initiate appropriate criminal prosecution or administrative action. Categories of cases include investigations of multi-national criminal alien organizations involved in racketeering, smuggling, counterfeiting, prostitution, official corruption, weapons and narcotics traffic, as well as investigations of individual aliens who have entered the United States illegally to find employment. The experience of the Service and other law enforcement agencies has shown that the prosecution of individual street-level violators has no lasting effect on the operation of large criminal organizations. The Service is increasing its use of investigative task forces and undercover techniques to identify individuals at the upper echelons of criminal organizations who provide the guidance and resources for large scale operations involving either immigration violations or general criminal activities perpetuated by aliens.

Investigations personnel are deployed in more than 70 offices in metropolitan areas in the interior of the United States. A priority assessment system for case management is implemented at all offices to direct investigations resources to work those cases which are considered of greatest importance and have the most impact on controlling illegal immigration in the interior of the U.S.

Covert investigations gather evidence of criminal violations through undercover techniques which include consensual monitoring and video recording, use of confidential informants, purchase of illegal goods and services with confidential funds, and infiltration of criminal organizations.

Investigative task forces concentrate the resources of a local office, or combine the resources of several offices, to identify the members and activities of a criminal organization. Task forces often include investigators from other law enforcement agencies because of the wide variety of criminal law violations which are uncovered. Cooperation with other agencies increases the level of task force resources and enhances the ability of the Service to effectively uncover large scale criminal alien organizations.

Aliens involved in organized crime, subversion, and terrorism are taken into custody for Service deportation proceedings upon the completion of any term of incarceration imposed after criminal prosecution. Weapons, documents, vehicles, and equipment used in the commission of criminal violations are seized under search warrant for safeguarding as evidence, and vehicle forfeiture proceedings are initiated under the Immigration and Nationality Act. While these activities are effective in depriving violators of the assets to continue their criminal enterprise, the Service's forfeiture authority is limited to the confiscation of conveyances. Jurisdiction for other forfeitures must be passed to other agencies.

Administrative investigations are accomplished through the use of traditional overt investigative techniques, such as interviews at places of residence and employment, and reviews of civil and business records. Investigations often require the service of subpoenas and search warrants to obtain evidence or to gain access to employment sites where illegal aliens are working.

1130

The level of effort of the Investigations program has been drastically increased as a result of passage of the Immigration Reform and Control Act of 1986. Two provisions of the Act that greatly affect this program are the employer sanctions provision and the MacKay amendment.

The employer sanctions provision makes it illegal to employ illegal aliens. Commencing with a six-month period after enactment, employers will be provided with detailed information about the law. During that time the Investigations program will provide employers with literature and will conduct an active public information campaign. The actual enforcement of the law against the employers will begin after this education/information phase is completed in May, 1987.

The second provision affecting the Investigations program is the MacKay amendment. The MacKay amendment mandates that INS take affirmative action to locate, process and remove criminal aliens from the United States. It requires that the Service initiate deportation proceedings as expeditiously as possible after the conviction of an alien on a deportable offense. This initiative is targeted directly at aliens engaged in criminal activities. These aliens comprise a growing threat to the domestic and internal security of this Nation. In fiscal year 1985 alone, there were over 135,000 criminal alien referrals to INS from Federal, State and local law enforcement agencies. Of this number, 42,277 had been convicted and found to be deportable.

Accomplishments and Workload: Accomplishments of the Investigations program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Cases received	43,519	45,245	45,000	66,900
Cases completed	28,418	26,463	26,500	46,436
Cases completed successfully	12,204	12,019	12,000	20,500
Cases Authorized for prosecution	3,567	6,189	6,000	6,100
Apprehensions:				
Resulting from casework	16,217	22,664	23,000	95,592
Other apprehensions	54,700	37,614	38,000	38,000
Productivity: Cases completed per workyear	37	30	77	92
Apprehensions per workyear:				
Resulting from casework	21	26	198	195
Other apprehensions	71	43	43	43
Site visits	...	...	...	19,900

The Investigations program places highest priority on cases involving criminal aliens, fraud schemes to obtain immigration benefits, and aliens who illegally receive benefits from government entitlement programs. These investigations are considered of great importance and impact on maintaining control of illegal immigration into the United States.

The effectiveness of the Investigations staff is not limited to the numbers of cases and apprehensions, but can also be demonstrated by the potential cost savings in terms of entitlement benefits saved, fines from prosecutions and wages not

paid to illegal aliens. There are also immeasureable benefits acquired by reducing the number of illegal aliens holding jobs that subsequently become available for citizens.

- In 1986, investigations identified nearly 50,000 ineligible aliens who were applicants for or enrolled in government benefit payout programs such as unemployment insurance, welfare, etc. The cost savings to State and local governments resulting from the removal or nonenrollment of these aliens in entitlement programs was calculated to exceed $100 million.

- In 1986, investigations located 15,593 deportable aliens holding jobs in this country. Using average annualized incomes, it can be estimated that U.S. citizens and resident aliens were displaced from jobs worth over $180 million.

- Also 968 cases targeting notorious employers of illegal aliens were completed in 1986. Over 600 of these resulted in successful cessation of hiring of illegals by target employers. Since employment opportunity is the major cause of illegal immigration, reduction of the number of employers hiring illegal aliens also alleviates one of the "pull" factors drawing people to this country illegally.

- Investigators closed down 593 major fraud schemes in 1986. Typically, the targets in fraud cases assist several aliens through the sale, distribution, manufacture or alteration of fraudulent documents. Other targets arrange marriage or other relationship frauds.

A major thrust for investigations has been to redirect investigative resources to focus on large scale criminal schemes. This is being accomplished through a task force concept targeted against crime rings and nationality groups. The task force operations to date have identified multiple conspirators and complex organizations that are international in scope, involving the manufacture of counterfeit immigration and other identification documents, the arrangement of fraudulent marriages, and the corruption of foreign-based travel agents. Extensive utilization of undercover operations and consensual monitoring equipment has resulted in successful prosecution and/or plea bargain agreements.

Other task force operations are ongoing. One investigation involves 1,100 suspected fraudulent petitions submitted by one nationality group. In 46 cases investigated, a 92 percent rate of fraud was uncovered, involving the interrelationship of eleven principals, two attorneys, immigration consultants, and notaries public. In another instance, a joint task force operation in Washington, D.C., with the Department of Health and Human Services involving the counterfeiting of alien registration documents and social security cards resulted in the arrest and charging of 10 principals, 15 additional aliens, and the recovery of a significant volume of the aforementioned counterfeit documents. A third extensive investigation involves Middle Eastern aliens engaged in fraudulent marriages, the sale of immigration documents to aliens at various locations in the United States and Europe for upwards of $7,500, sale of food stamps, and weapons and drug trafficking. This long-term inquiry has additionally targeted two attorneys who have knowingly submitted fraudulent documentation to the Service on behalf of these same aliens.

The estimated workload is increased in 1988 as a result of passage of the Immigration Reform and Control Act of 1986. Due to this legislation, staff increases will begin in 1987 and continue into 1988. The large increase in apprehensions resulting from casework is attributed to the expectation that most of the resources received in Immigration Reform will focus on that type of work.

There is no appreciable workload associated with the new positions in 1987 due to hiring beginning well after the start of the fiscal year and the amount of time required for training new officer positions.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Anti-Smuggling.....	390	317	$16,784	390	358	$19,640	390	358	$19,640	...	...	...

Long Range Goal: Reduce the number of illegal aliens in the United States and prevent the entry of unqualified persons by detecting and successfully prosecuting those individuals involved in smuggling and transporting aliens.

Major Objectives:

Identify smugglers of aliens.

Investigate and apprehend smugglers of aliens, concentrating resources on major violators.

Prepare sufficient evidence to support the U.S. Attorneys in obtaining convictions of smuggling violators.

Increase deterrent efforts such as conveyance seizures, extraterritorial prosecutions, fines and sentences.

Base Program Description: While the large majority of alien smugglers apprehended by INS enforcement personnel are considered minor violators operating independently and infrequently, a growing number of these violators are associated with large-scale, highly organized criminal conspiracies. Quite often, these professional organizations are simultaneously involved in other illegal activities such as narcotics and weapons smuggling, extortion, kidnapping, peonage, and document fraud on an international scale. Criminal investigators assigned to the Anti-Smuggling program identify and infiltrate these organizations through interviews, the use of informants, surreptitious surveillance, and undercover and task force operations.

To increase its effectiveness in infiltrating and combatting alien smuggling conspiracies, the Anti-Smuggling program works closely with the U.S. Attorneys and with officials of the Republic of Mexico and Canada. The Mexican Government has instituted assignment of special units at interior road checks in Mexico resulting in the apprehension of a number of Central American aliens before they reach the U.S. Border. Further, Canada has changed its laws to permit prosecution of smugglers in Canada who violate United States laws.

Accomplishments and Workload: Accomplishments of the Anti-Smuggling program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Smuggling Principals Apprehended (Anti-Smuggling).....	3,399	3,016	3,500	4,200

Item	1985	1986	Estimates 1987	1988
Smuggling Principals Apprehended (Servicewide)	18,077	22,241	24,970	27,850
Cases completed	2,607	1,804	2,000	2,400
Prosecutions				
Major	1,073	1,810	1,800	2,200
Minor	5,587	6,189	6,200	6,800
Convictions (Defendants):				
Felony	1,463	1,379	1,600	1,900
Misdemeanor	3,660	5,200	5,200	5,800
Sentences (Months-All charges)	23,084	33,501	36,000	40,200
Conveyances Seized	10,348	13,965	14,000	14,700

A number of significant investigations of large-scale smuggling organizations were conducted during 1986 by Anti-Smuggling units. In one such case, a U.S. Air Force Lieutenant Colonel was apprehended as the leader of an organization smuggling illegal Dominican aliens into the United States for fees ranging from $4,000 to $6,000 per alien. In another case, a convicted narcotics trafficker was convicted of alien smuggling, three counts of second degree murder, and threatening to kill one of the witnesses who testified against him. This smuggler was attempting to smuggle illegal Chilean aliens into the United States by boat. When his boat broke down, he forced three of the aliens overboard where they subsequently perished.

Other successful prosecutions included: several joint Federal Bureau of Investigations and Drug Enforcement Administration/INS investigations; labor contracting smuggling; and smuggling with tractor trailers, motorhomes, and other unusual vehicles.

The increased focus by the INS on reducing illegal immigration is reflected in the higher numbers of alien smugglers apprehended and successfully prosecuted. The Service apprehended 22,241 smugglers, an increase of 4,164 over 1985. Reflecting the intensified efforts of the Anti-Smuggling program to identify and break up large-scale alien smuggling organizations and improve the quality of criminal investigations, a total of 7,999 prosecutions of alien smugglers was authorized, resulting in 6,679 convictions (an eighty-two percent conviction rate). As an adjunct to criminal prosecutions, the Service seized a total of 13,965 conveyances (cars, trucks, vessels, airplanes) used in alien smuggling, with an appraised value of more than $31 million. This is a considerable increase over the 10,348 vehicle seizures in 1985. The Service transferred more than $8 million to the Asset Forfeiture Fund from the sale and disposition of seized vehicles and incorporated 252 suitable vehicles into the INS fleet during 1986.

In 1986 the program continued its focus on the identification, apprehension, and successful prosecution of major alien smuggling organizations, particularly in those instances where there is the likelihood of conspiracy. The program continues to conduct extensive investigative efforts against broadly diversified smuggling organizations engaged in infant smuggling, hostage/extortion situations, corporate smuggling, drug and counterfeit document trafficking, extraterritorial prosecutions, and terrorist activities. Beginning in 1986, the program was asked to be a part of the Southwest Border Interdiction Program under Operation Alliance. The Anti-Smuggling program responded by cross designating one hundred and twenty-three of its special agents for drug interdiction.

The estimated workload is increased in 1988 as a result of passage of the Immigration Reform and Control Act of 1986. Due to this legislation, staff increases will begin in 1987 and continue into 1988.

There is no appreciable workload associated with the new positions in 1987 due to hiring beginning well after the start of the fiscal year and the time required for training new officer positions.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Detention and Deportation....	1,644	1,267	$109,240	1,644	1,607	$140,270	1,644	1,607	$140,270	...	...	...

Long Range Goal: Adequately detain until ready for removal those aliens subject to exclusion proceedings and those subject to deportation proceedings who are likely to abscond or whose freedom at large would clearly represent a danger to public safety and security. Maintain and further develop a system of control which ensures that every case involving a deportable or excludable alien is processed expeditiously and that the alien is removed from the United States when appropriate.

Major Objectives:

Promptly remove deportable and excludable aliens and avoid detention to the greatest extent possible.

Ensure that adequate alien detention capability is available by staffing and maintaining seven accredited INS Service Processing Centers (SPCs), and detaining aliens when necessary in non-INS facilities--including contract facilities which meet INS standards.

Allow apprehension activities to operate at full capacity by maintaining a parity of removal capability. Fully support apprehending activities in implementation of the Immigration Reform and Control Act of 1986.

Maintain an automated control system necessary to cope with the increasing number of illegal aliens apprehended.

Base Program Description: The Detention program and the Investigations, Border Patrol and Anti-Smuggling programs are interdependent in that (1) Detention is reliant upon the other three to apprehend the aliens to be detained; and (2) the Investigations, Border Patrol and Anti-Smuggling program activities must be paced to the availability of detention space. When an alien's freedom at large would clearly represent a present danger to public safety or security, or when an alien's lack of funds or fixed address supports a finding that she/he is likely to abscond, that alien must be detained by INS pending a determination of deportability. Additionally, the Immigration and Nationality Act mandates that aliens who appear to be excludable be detained for further inquiry. To accomplish these detentions, INS utilizes Service Processing Centers (SPCs) and non-Service detention space.

The Detention program currently maintains seven permanent SPC's. These centers are located in Manhattan, NY; Boston, MA; Miami, FL; El Paso and Port Isabel, TX; El Centro, CA; and Florence, AZ; and have a combined rated detention capacity for 2,239 illegal aliens. The immigration detention officers assigned to these facilities are responsible for all matters relating to the care and custody of the aliens detained. In addition to the SPC's, an INS/Public Health Service facility is operational at St. Elizabeth's Hospital in Washington, D.C., for the detention of mentally ill Cubans. INS also maintains a full-time staff in the Atlanta Penitentiary because of the criminal Cubans detained there. In addition to these overnight facilities, the Service operates a number of Service Staging Areas for the temporary holding of apprehended aliens.

In 1986, Congress added resources to INS' appropriation for the staffing and operation of the Oakdale Federal Alien Detention Facility. Although originally intended for use as an Alien Detention Facility, Oakdale is now being used temporarily as a detention site for Mariel Cuban criminals. This use of Oakdale is one initiative of an overall Department of Justice strategy designed to handle this serious detention problem. The Federal Prison System (FPS) continues to handle the operational aspects of the Oakdale facility while INS is responsible for case review and transportation.

It is often cost-effective for the Detention program to use non-INS detention facilities. More than 900 of these non-INS facilities throughout the United States were used in 1986. About 45 percent of the aliens detained were kept in non-INS facilities. INS will continue to utilize non-INS detention facilities as much as possible to enhance its detention capability. Unfortunately, available detention space in State and local jails has declined because of escalating prison populations. In addition, some of the facilities previously used cannot continue to be used because they fail to meet INS detention standards which were developed with the assistance of FPS.

The Deportation program accomplishes the removal of illegal aliens under either voluntary departure procedures or formal deportation proceedings. The major responsibilities of immigration deportation officers include the supervision of aliens while under bond, released on their own recognizance, or in detention. Additional responsibilities include maintaining liaison with the Department of State and foreign governments to obtain travel documents in order to effect deportations or removals expeditiously.

An alien removal capability is provided by various methods. INS operates its own fleet of passenger vans, buses, and an aircraft to transport aliens. In addition, an alien travel fund is maintained to cover the transportation expenses of those aliens expelled at U.S. Government expense.

The recently passed Immigration Reform and Control Act of 1986 will increase the workload in the Detention and Deportation program especially due to the employer sanctions provision and the MacKay Amendment, which requires INS to initiate deportation proceedings as expeditiously as possible after the conviction of an alien for a deportable offense.

The additional Detention and Deportation positions added in the 1987 Supplemental Appropriations request to implement the Immigration Reform and Control Act of 1986 will allow INS to process, detain and transport the large number of criminal aliens expected to be apprehended through drug enforcement efforts, as well as those who must be held on detainers in State and local facilities after completing sentences for drug crimes and other criminal violations. Those aliens who are involved in lengthy deportation proceedings will be detained to prevent them from absconding and possibly returning to their various criminal activities.

Accomplishments and Workload: Accomplishments of the Detention and Deportation program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Detention				
a. Aliens detained (Total)	145,989	137,332	115,000	136,800
• INS Facilities	68,691	75,114	69,000	69,000
• Non-Service Facilities	77,298	62,218	46,300	67,800
b. Number of detention days	1,476,430	1,437,266	1,651,000	1,957,000
• INS Facilities	916,970	896,962	982,000	1,036,000
• Non-Service Facilities	559,460	540,304	690,000	921,000
c. Average stay in detention (days)	10.1	10.5	14.4	14.3
Expulsions				
a. Aliens expelled (b+c+d+e)	1,069,680	1,614,519	1,797,000	2,136,700
b. Voluntary departures under docket control	44,538	28,665	32,000	56,800
c. Voluntary departures not under docket control	1,001,766	1,559,838	1,733,000	2,012,200
d. Deportations effected	21,588	23,681	29,000	63,700
e. Exclusions effected	1,788	2,335	3,000	4,000
f. Deportable aliens located, percentage expelled	81.2%	91.5%	95.8%	90.4%
g. Expelled aliens, percentage detained	13.6%	8.5%	6.6%	6.4%
Recognizance, Bond and Supervision				
a. Aliens released on recognizance	5,259	8,696	8,000	9,000
b. Aliens placed on bond	41,224	33,016	33,000	56,200
c. Aliens placed under supervision	139	116	100	100

The Detention program accomplished its mission during 1986 through the operation of seven SPC's. Through an expansion program, the combined rated capacity of these seven facilities is now 2,239 detainees. INS also utilized contract detention facilities, located in Los Angeles, Denver, Laredo, and Houston. A standard statement of work for contract facilities has been developed and will be used in future opportunities to utilize private sector entities for the safeguarding and care of Service detainees.

The Deportable Alien Control System (DACS), an automated docket control and detention booking system, is now operational in the SPC's and in Oakdale, as well as in the San Diego, Chicago, New York and Philadelphia District Offices.

Before the suspension of the United States/Cuba agreement on the Cuban Removal Program, five successful flights were conducted on which approximately 200 Mariel Cuban criminals were removed from the United States.

Several long-term improvements to the SPC's have been recently completed. The Krome North SPC now has an in-house kitchen and a medical clinic. Expansion of barracks, improvement of sewage and water treatment plants and an outdoor recreation facility have been completed at Port Isabel.

INS has worked closely with the Public Health Service (PHS) to ensure that adequate medical and mental health care services are available in the SPC's. PHS has provided a medical staff for two INS facilities on a reimbursable basis, provided medical escorts when necessary, inspected INS facilities, and recommended improvements where required.

Because of the suspension of the Cuban repatriation agreement, and overcrowding at FPS facilities, INS has had to detain an increasing number of Mariel Cuban criminals in its minimum security facilities. Supplemental funding was provided by Congress in 1986 to address this problem and additional supplemental funding is requested in 1987. DOJ initiatives to address the Mariel Cuban detention problem include:

- Change of mission of the INS/FPS Oakdale Federal Alien Detention Center to house 500-600 Mariel Cuban criminals through 1988.
- Additional 300 beds (maximum security) at Oakdale will come on-line by February 1987.
- CRS halfway house placement programs will remain at 360 beds.
- Vocational, counseling, and educational programs for Cubans will be established at Oakdale and result in a population segment who become eligible for release to immediate family members.
- The population at the Atlanta Penitentiary will be reduced from its current ceiling of 1,800 to 1,500 in February 1987 to allow for renovation.
- A Case Review Plan will be established at Oakdale by the end of the second quarter of 1987. It will operate fulltime to determine and review appropriate placement for more than 3,000 Cubans now in INS custody as well as the anticipated 70-80 releases per month to INS custody from state and local jails.

The estimated workload is increased in 1988 as a result of passage of the Immigration Reform and Control Act of 1986. Due to this legislation, staff increases will begin in 1987 and continue into 1988.

There is no appreciable workload associated with the new positions in 1987 due to hiring beginning well after the start of the fiscal year and the time required for training new officer positions.

Activity: Citizenship and Benefits	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Adjudications and naturalization	1,325	1,309	$51,408	1,325	1,540	$64,141	1,325	1,540	$64,141	...	...	...
Refugees and overseas	106	142	8,270	106	174	10,452	106	174	10,452	...	...	...
Total	1,431	1,451	59,678	1,431	1,714	74,593	1,431	1,714	74,593	...	...	...

The resources necessary to provide the benefits of the Immigration and Nationality Act are provided in this activity. Included are the adjudication of applications and petitions submitted for benefits, and the processing of naturalization and citizenship petitions and applications. All operations conducted overseas except preinspection are within this activity.

	1987 Appropriation			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Adjudications & Naturalization.	1,325	1,309	$51,408	1,325	1,540	$64,141	1,325	1,540	$64,141	...	...	...

Long Range Goal: Provide for and facilitate the efficient, timely adjudication of applications and petitions for benefits provided by law, and naturalization of all eligible applicants.

Major Objectives:

Assure that benefits are provided to those entitled to them under the Immigration and Nationality Act, and denied to those not entitled, in a prompt and courteous manner and without undue burden on the public.

Attain and maintain a current workload in adjudications cases, which equates to a projected total of 230,000 pending cases (5 1/2 weeks' receipts).

Attain and maintain currency in naturalization and citizenship cases, which equates to a projected total of 156,000 pending cases (four months' receipts).

Attain and maintain currency in asylum applications, which equates to 6,000 pending cases (four months' receipts).

Manage resources in response to workload so that applicants will receive decisions of consistent quality and timeliness in all geographical jurisdictions of the Immigration and Naturalization Service.

Base Program Description: The Adjudications program--The principal statutory authorizations that this program administers are Sections 203, 204, 205, 212, 214, 245, 248 and 249 of the Immigration and Nationality Act. The purpose of the program is to provide prompt, consistent and correct decisions to persons seeking benefits, and to detect fraudulent applications.

The Naturalization program--Article I, Section 8, Clause 4 of the U.S. Constitution mandates the establishment of a "uniform rule of naturalization". The Congress, in compliance with its Constitutional mandate, has specified in Sections 301 through 360 of the Immigration and Nationality Act of 1952 (8 U.S.C. 1401 through 1503) the means by which an alien may become a U.S. citizen. It vests exclusive jurisdiction to naturalize in certain Federal and State courts. It also reserves to the Attorney General the authority to prescribe the nature and scope of the examination of petitioners for naturalization as to their admissibility for citizenship and to make appropriate recommendations to the naturalization courts. This authority in Section 332 of the Act (8 U.S.C. 1443) is exercised through INS employees designated by the Attorney General to administer the naturalization laws.

The Immigration Reform and Control Act of 1986 provides temporary resident status to aliens who entered the U.S. illegally or lapsed into illegal status prior to January 1, 1982, who resided continuously in the U.S. since then, and who are not excludable. Aliens may apply for this benefit between May 5, 1987 to May 4, 1988. It also allows these aliens to apply to adjust their status of these people to permanent resident after 18 months of temporary status upon showing general admissibility and basic citizenship skills. Section 202 further provides for adjustment to permanent resident status of certain Cubans and Haitians who entered the U.S. prior to January 1, 1982.

It is anticipated that fees collected from applicants seeking benefits under the Legalization provision will fund the Legalization aspects of the Act.

Section 301 of the Act creates a separate and distinct temporary worker program for agriculture, the "H-2A" program. Section 302 of the Act mandates adjustment procedures whereby aliens who can demonstrate they have performed seasonal agricultural services in the United States for at least 90 mandays during the 12 month period ending May 1, 1986 can apply for temporary resident status. Temporary workers can apply for resident status between June 1, 1987 to November 30, 1988. These new provisions will significantly increase the workload in this program.

Accomplishments and Workload: Accomplishments of the Adjudications and Naturalization program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Adjudications:				
Adjudications cases received	1,897,160	2,203,631	2,300,000	2,300,000
End of Year Pending	347,387	324,000	324,000	274,000
Adjudications Completed within the Program	1,298,946	1,357,018	1,400,000	1,450,000
Adjudications completed using immigration inspector standby time at ports of entry. (These case completions are not included in the "adjudications completed within the program" figures above.)	668,000	643,797	700,000	700,000
Naturalization:				
N-400 and N-600 received 1/	442,425	452,954	460,000	460,000
N-400 and N-600 completed	523,573	434,060	473,000	473,000
N-400 and N-600 pending at the end of the year	154,106	173,000	160,000	147,000
Persons naturalized	251,667	310,351	300,000	300,000
Certificates issued	31,508	39,810	40,000	40,000
Applicants for Temporary Resident Status	...	...	1,812,000	2,818,000
Applicants Granted Temporary Resident Status	...	...	111,000	3,273,000
Deportation Proceedings	...	...	...	35,000
Appeals to Board of Immigration Appeals	...	...	...	1,700
Appeals to Court of Appeals	...	...	...	350

Item	1985	1986	Estimates 1987	1988
Major Fraud Investigations	...	...	...	1,470
Major Fraud Prosecutions	...	...	...	275

1/ Form N-400 is entitled "Application to File Petition for Naturalization." Form N-600 is entitled "Application for Certificate of Citizenship."

During 1984, the Adjudications program established the Balanced Adjudications System for processing Adjudications casework. Within this system, emergency cases, fraud cases and cases requiring an interview are handled by district offices. Simple non-interview cases are sent to ports of entry for completion by inspectors during standby time. Complex non-interview cases are remoted to the four Regional Service Centers (RSCs), where personnel are free from collateral duties, telephone calls, and walk in visits by the public. Completions at ports of entry have increased by 33 percent in the last two years, while RSC completions have increased by 75 percent.

On April 1, 1986, the Adjudications Program implemented a quality review system at all four regional service centers. These centers adjudicated 27 percent of the Service's applications for 1986. This quality review program provides for a supervisory review of a statistically valid sample of return and approvals. One hundred percent of denials are reviewed by supervisors. The system will be refined and improved in 1987. INS is also testing a quality review system for district offices in 1987. It will be implemented at selected offices in the fourth quarter of 1987, contingent on available resources.

INS continued development of the direct mail initiative in 1986. Eastern Region implemented Phase I of direct mail on August 1, 1986. Northern Region implemented Phase I on October 1, 1986 and Southern Region implemented Phase I on December 1, 1986. Western Region is scheduled to implement Phase I on February 1, 1987, but workload and space problems may require a deferral. Phase I includes five form types and, on an annual basis, over 202,000 applications and petitions are expected to be handled this way. Phase two of direct mail has been deferred until Immigration Reform priorities have been resolved.

The new categories of workload for 1987 and 1988 reflect new functions mandated by the Legalization provision of the Immigration Reform and Control Act of 1986.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Refugees and overseas	106	142	$8,270	106	174	$10,452	106	174	$10,452	...	...	...

Long Range Goal: Approve qualified applicants for refugee status and for admission into the United States; adjudicate petitions and applications for benefits under the Immigration and Nationality Act (INA); verify claims on applications and petitions by conducting immigration investigations; and coordinate other enforcement related activities.

Major Objectives:

Coordinate with U.S. missions abroad and represent U.S. immigration policy interests and concerns to host governments, international organizations, and private voluntary agencies.

Receive and adjudicate applications from persons requesting entry into the U.S. as refugees in accordance with the INA and yearly consultations between the President and the Congress.

Adjudicate applications and petitions related to individuals seeking admission into the United States as immigrants, and other benefits under the INA.

Conduct investigations in order to verify entitlement to benefits under the INA and prevent fraud, alien smuggling, and other violations of U.S. immigration laws.

Provide planning, coordination, review, and evaluation of the Service's asylum and interdiction programs.

Base Program Description: Under the INA, as amended, the Attorney General is responsible for the review and approval of applications from individuals seeking to enter the United States as refugees. Under a delegation of this authority from the Attorney General, these refugee determinations, which exceeded 65,000 approvals and denials in 1986, are made by the overseas offices of INS. In addition, these overseas offices receive and adjudicate petitions, applications, and waivers from the inadmissibility provisions of law, submitted on behalf of aliens seeking to enter the United States as immigrants and obtain other benefits under the INA.

The Service also provides assistance to citizens and lawful permanent residents abroad regarding adoptions, immigration or parole of alien spouses and children and other benefits under the INA. In support of overseas refugee and adjudications work, investigations are conducted to verify entitlements, and if possible, prevent fraud, smuggling, and other violations of U.S. immigration laws in Service offices in the U.S. and in U.S. overseas offices.

Overseas offices, in coordination with U.S. missions abroad, carry out the Attorney General's responsibility for controlling the entry of aliens into the United States by representing immigration policy interest and concerns to foreign governments, international organizations, and private voluntary agencies. In representing these concerns to other institutions and individuals, the overseas offices provide for increased sharing of information in the international community on refugees and trends in international migration, the immigration laws and policies of the U.S. and other nations, immigration fraud and international smuggling, and possibilities for collaborative enforcement and other immigration related efforts.

This unit also plans, coordinates, reviews, and evaluates agency field efforts in processing applications from individuals seeking asylum in the United States. These individuals, though distinct from refugee applicants in that they are already physically present in or at the border of the United States, must satisfy the requirements of the Refugee Act of 1980.

Finally, this unit is responsible for reviewing requests for the use of the Attorney General's authority to grant humanitarian parole into the U.S. for deserving individuals, and coordinating the Service's interdiction program with other participating Federal agencies. The latter program, with the assistance of the Coast Guard, provides for interdiction and return to countries of embarkation, individuals attempting to reach our shores illegally.

Accomplishments and Workload: Accomplishments of the Refugees and Overseas program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Refugees Applying for Entry				
*Pending/Backlog	13,707	15,895	12,000	12,000
Received	93,415	81,017	100,000	100,000
Completed	79,708	65,122	90,000	90,000
Adjudications Completed				
*Pending/Backlog	1,762	4,952	...	...
Received	65,604	57,725	96,000	196,000
Completed	66,896	55,468	81,000	141,000
Investigations				
Pending/Backlog	...	1,762	...	...
Received	5,239	5,147	5,700	6,400
Completed	5,580	4,434	5,600	6,150
Diplomatic Liason				
Completed	...	273	325	400
Public Service Completed	...	2,949	3,000	3,000

* These are incompleted cases at year-end, adjusted for cases withdrawn and other types of termination actions.

In 1986, major accomplishments included: revision of the Worldwide Guidelines for Refugee processing; participation in refugee consultation; development of a proposal for a private sector alternative to meet refugee admission needs; and commencement of a humanitarian parole program for Khmer on the Thai-Cambodian border. In addition to these achievements, the Service has also begun to increase the ability of overseas offices to contribute to the agency's domestic goals and operations through strengthened and more closely coordinated adjudication, investigation, and enforcement related activities.

Accomplishments in the Service's asylum program have included: the elimination of the agency's asylum case backlog, the establishment of monthly processing goals, the installation of new asylum officer training programs, and improved coordination of the Service's asylum operations with the Department of State, and the Executive Office of Immigration Review, whose immigration judges receive asylum claims during expulsion proceedings. The unit has also revised the asylum regulations in coordination with the Attorney General's office.

To facilitate the Service's interdiction program, the Refugees and Asylum program has continued its 1986 efforts to strengthen cooperation between participating Federal agencies and the countries of the Caribbean from which most of those intercepted embark.

Activity: Immigration Support	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training	89	73	$9,192	89	87	$9,960	89	87	$9,960	...	...	...
Data and communications systems	209	191	50,639	209	195	63,774	209	195	63,774	...	...	...
Information and records management	1,414	1,323	42,557	1,414	1,488	48,365	1,414	1,488	48,365	...	...	...
Intelligence	53	45	2,314	53	51	2,709	53	51	2,709	...	...	...
Research and development	2	2	516	2	2	539	2	2	539	...	...	...
Construction and engineering	18	19	45,216	18	19	14,046	18	19	14,046	...	...	...
Field management and support	314	290	14,303	314	289	15,961	314	289	15,961	...	...	...
Legal proceedings	618	255	17,662	618	508	28,459	618	508	28,459	...	...	...
Total	2,717	2,191	182,399	2,717	2,639	183,813	2,717	2,639	183,813	...	...	...

This activity includes the resources for construction, communications, records management, automated data processing, training of personnel, research and development, field management, legal proceedings and the alien documentation program (ADIT). In addition, it provides a capacity to scientifically examine and analyze documents to assist in the identification, investigation and prosecution of major conspiracies which provide fraudulent documents to smuggled aliens.

	1987 Appropriation			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training	89	73	$9,192	89	87	$9,960	89	87	$9,960	...	...	...

Long Range Goal: Establish and maintain an employee development system that meets the needs of management and individual employees and complies with regulatory requirements.

Major Objectives:

Servicewide Operations Training:

1. Basic training for all new recruits to the officer corps including those recruits related to the implementation of the Immigration Reform and Control Act of 1986.

2. Advanced technical training primarily for the journeyman officer corps.
3. Updated curriculum for the basic and journeyman officer corps training programs.

Servicewide Support Training:

1. Training for INS supervisors, managers, management officials and executives.
2. Technical training programs to meet requirements not satisfied by in-Service programs.

Regional and Local Training:

1. Training for organizational and individual requirements that are not accomplished through national or Servicewide programs.

Base Program Description: INS training requirements are identified annually and revised during the year as dictated by new regulations, legislation or organizational needs such as those related to the Immigration Reform and Control Act of 1986. Actual training is accomplished by in-Service training programs using INS instructors, training programs conducted by other agencies, private firms or a combination of the foregoing. In-Service training programs are primarily related to specific INS subjects. The following is a brief description of the activities:

Servicewide Operations: Comprises the law enforcement, supervisory and other operations training (basic and/or advanced) delivered to the officer corps personnel and any other employees directly involved in Servicewide operations (e.g., contact representatives, and deportation docket clerks). Training is conducted primarily at the Officer Development Training Facility (ODTF) in Glynco, Georgia. Included under this activity are the positions permanently assigned to and the general administrative costs at the ODTF.

Servicewide Support: (1) development and implementation of technical training programs for executive, managerial, clerical and administrative employees; (2) technical training not conducted at the ODTF for all other occupational groups; (3) development of policies and procedures regarding employee development; (4) determination of effectiveness and efficiency of all INS Servicewide training programs; (5) evaluation, consultation research and implementation of new training techniques to improve curriculum; and (6) the formulation and execution of the INS training budget. Included in this activity are the positions permanently assigned to the Central Office (excluding the training officer).

Regional and Local Training: Includes specialized training and development needs of employees in the Central Office and the regions. These needs primarily have individual or local implications which are not presently required for Servicewide programs. These programs are conducted either locally, in-house or by external sources. Included in this program element are the training officer and support positions permanently assigned in the central and regional offices, and those resources needed to cover tuition costs, travel and per diem.

Accomplishments and Workload: Accomplishments of the Training program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Workload Production/Training Completions:				
Border Patrol Basic	582	539	900	1,320
Immigration Officer Basic	230	141	390	390
Detention Officer Basic	73	72	124	124
Journeyman Officer Training	396	504	860	650
Basic Supervisory Development	222	216	216	266
Management Development	150	170	200	250
Executive Development	22	32	30	30
Extension Training	560	580	600	600
Contact Representatives and Docket clerks	46	48	150	150
Regional/Central Office Training	2,745	2,658	2,550	2,550
Workload Production/Training Starts:				
Border Patrol Basic	1,218	637	984	920
Immigration Officer Basic	187	160	370	390
Detention Officer Basic	74	71	124	124

In 1986, 752 officers completed the basic officer corps training program at the OOTF. The length of these basic officer programs is as follows: Detention - 6 weeks, Immigration - 14 weeks, and Border Patrol - 17 weeks. Journeyman training was provided for 504 officers, and 222 INS supervisors and managers attended supervisory training sponsored under Servicewide programs. In addition to Servicewide programs, 2,658 individual training courses were provided to INS employees to meet regional and local training needs.

The workload indicators for 1987 and 1988 reflect the impact of the implementation of the Immigration Reform and Control Act of 1986, particularly due to the permanent expansion of major existing enforcement programs.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Data and Communications Systems	209	191	$50,639	209	195	$63,774	209	195	$63,774	...	...	...

Long Range Goal: Increase the efficiency and effectiveness of INS' operational, administrative and managerial functions by providing the optimal level of data automation support; provide the modern data communications required to support all of INS' information needs; produce and issue alien identification documents; and provide radio and electronics equipment and systems required by the INS to support its service and enforcement functions.

Major Objectives:

ADP Systems--

Operate and maintain systems with upgraded access by Service employees through enhanced software and additional user hardware: (1) Current mission support systems: Non-Immigrant Information System, Central Index System, Student/Schools Database, Systematic Alien Status Verification System in conjunction with the Systematic Alien Verification for Entitlements (SAVE) Program, (in 1988, the SAVE automated system will become available to designated entitlement agencies under the U.S. Departments of Labor, Health and Human Services, Housing and Urban Development, Education, and Agriculture, for implementation in all states except in those areas where waivers are granted by the appropriate secretaries of the departments noted), Operational Activities Special Information System (OASIS), National Automated Information Lookout System, Cuban Adjustment Program System, Naturalization Casework System, Deportable Alien Casework System, Legal Case Tracking System, Immigrant Visa Data Capture System; and (2) Business support systems, i.e., Directives Access Information System, Freedom of Information Act System, and Performance Analysis System.

Operate and maintain new ADP based systems and databases: Remote Adjudications Tracking System, and those systems identified with the responsibilities of the Immigration Reform and Control Act of 1986 and User Fee legislation.

Continue with the implementation of the ADP Plan through the installation of hardware and word processing, data communications and facilities operations.

Data Communications--

Operate the Immigration and Naturalization Service 36,000 mile Communications Network (INSINC). Provide INS field offices with inter-office data communications and remote access to centralized databases and computing resources with the capabilities to expand to support new applications contained in the Long Range ADP Plan and those needed to support new legislation by upgrading the backbone network with higher speed lines to maintain system operations with increasing transaction volumes. The INSINC contractual support for the network will be continued until it is replaced by the new Department of Justice Telecommunications Network (JTN). The competition for the new JTN has begun and will be continued through 1987 and 1988.

Alien Documentation, Identification and Telecommunications (ADIT) Systems--

Maintain high volume, cost-effective production and issuance of secure identification cards and updates to computer databases associated with identify information.

Electronics Support--

Provide INS operating units with reliable, modern radio and electronics equipment and systems through expanded use of MICROWAVE systems. These will support the mission goals associated with enforcement and control of illegal migration.

Provide automated intrusion detection capabilities at selected Border Patrol sectors consisting of a variety of sensor and imaging equipment with centralized monitoring at the sector for dispatch and reporting purposes through the CADRE System.

Provide an effective maintenance program and equipment replacement and upgrade schedule. This is required to ensure effective operation of communications and electronics capabilities.

Base Program Description: Development, operation and maintenance of existing and developing ADP systems are accomplished by: (1) computerized support provided on a reimbursable basis by the Justice Data Service Center in Washington D.C., and the dedicated Southwest Data Center in Dallas, Texas; (2) INS Satellite Data Centers; and (3) purchased or leased hardware.

Systems will be maintained at current and expanded levels of service through the operation of existing and recently developed systems defined in the long range ADP Plan.

The Data and Communications Systems program will continue to operate the recently implemented data communications network providing remote access to central computer records.

The operation of a single facility will accomplish: the issuance of large numbers of immigration identification cards, database establishment and maintenance, and the collection of data from immigrant visas and adjustments of immigration status to update the database. These services will be merged through a combined recompetition of both services in 1987 with start up operation in 1988. The facility will operate under contract with technical and operational direction and performance monitoring performed by on-site INS personnel.

The Radio Communications program provides Service operational elements with radio communications, intrusion detection (electronic sensors and imaging equipment) and electronics security equipment and systems. Radio frequency management, inventory and replacement schedules are maintained through the use of microcomputer and time-sharing services.

Accomplishments of the Data and Communications Systems program:

I. ADP SYSTEMS

1. Systems Planning--

The 1987 request represented the fourth full year for the INS automation program as defined in the Service's existing Long Range ADP Plan. Three accomplishments that continue to allow early implementation of the plan are (1) a contract for software development and (2) the Department of Justice Southwest Data Center that supports the software systems which are developed, and (3) the ADP hardware and facility operations contract. These initiatives have provided a continuing source of ADP professional and computer processing resources for development and implementation efforts underway as identified below.

1148

2. Systems Operation--

The following operational systems have been recently expanded and/or proliferated and are available at 149 INS sites: (1) The Central Index System which houses records on over 20 million individuals and supports State government access to the SAVE program; (2) the Non-Immigrant Information System has been improved to a point that over 625,000 records can now be loaded in a 24-hour period and currently maintains over 55 million records on the database; (3) the casework systems including the Deportable Alien Casework, the Naturalization Casework and the Legal Case Tracking Systems were proliferated to additional sites; (4) numerous improvements were made to the various subsystems of the Service's Financial Management Information Systems; (5) the Anti-Smuggling Information System which supports the El Paso Intelligence Center, was redesigned and renamed as the Operational Activities Special Information System (OASIS) and includes subsystems of Anti-Smuggling Information, Seized Vehicle Information System, Fraud System and a yet to be developed Criminal Information System; (6) the A-File Tracking System (AFACS) which records the movement of alien files in district offices was installed in six district offices.

3. Data Exchange--

A significant accomplishment in 1986 was the successful implementation of a pilot project with the Department of State for the electronic exchange of data. The project was implemented at the Consulate in Montreal that allows the transmission of immigrant visa data through the Department of State in Washington and then to the INS IMDAC facility in Rockville, Maryland. This automated sharing of data is cost effective in that it eliminates the re-keying of information at the INS facility.

II. DATA COMMUNICATIONS

The Service's data communications network (INSINC) has been expanded to over 149 INS field offices allowing for immediate access to INS systems on the Justice Data Centers. INSINC has been expanded to include access to at least two non-INS information sources--the National Law Enforcement and Telecommunications System (NLETS), which provides information from State law enforcement systems and the FBI's National Crime Information Center (NCIC), which provides information on Federal offenders.

III. ELECTRONICS SUPPORT

1. Radio Systems--

The Southern California Microwave System was installed and is being used for that portion of the joint INS/FAA microwave backbone established under an existing INS/FAA interagency agreement. Implementation of the microwave backbone for the New Orleans segment (Texas and Florida) and the Southern California segment (Los Angeles to Arizona) is continuing. Installation of the Dallas-San Antonio-Houston microwave system is continuing. A substantial amount of portable and mobile radios were replaced in 1986.

1149

2. Intrusion Detection--

Contracts for both land mobile infrared imaging equipment with remote image TV and airbone Forward Looking Infrared (FLIR) imaging equipment have been awarded. Low Light Level TV Systems (LLLTV) are being expanded to additional border partrol sectors.

Software development and system design continued for a uniform detection system (CADRE).

3. SAVE Program--

The SAVE Program, standardized since October, 1985, is now available to every State and all entitlement agencies. At present, 15 States are participating in the program either formally or through pilot projects.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Information & Records Management	1,414	1,323	$42,557	1,414	1,488	$48,365	1,414	1,488	$48,365	...	...	...

Long Range Goals: Information Services--Provide timely, accurate information to the public and the INS concerning immigration benefits and procedures, policies, plans, activities, and immigration reform policies and procedures.

Records--Provide timely, high quality records responsive support to INS' operating components and other U.S. law enforcement agencies and administer a Servicewide program designed to ensure the utility and reliability of data generated by INS information systems both in-house and those which are contracted.

Freedom of Information and Privacy Acts--Ensure Servicewide compliance with the Freedom of Information and Privacy Acts.

Statistics--Provide analytical, technical expertise on statisical matters, and timely, accurate, statistics upon which to base policy decisions.

Base Program Description: Information Services--Inquiries received by telephone, in person and in writing are handled by Immigration Information Officers.

Records--- Provide for the control and access of records support to INS' operating components. Alien files and various other records are maintained at 55 field offices throughout the United States, including Regional Service Centers and offices established to implement the Immigration Reform and Control Act of 1986.

Freedom of Information and Privacy Acts--Requests for access to or amendment of INS records are received at INS offices throughout the nation. The determination to grant or deny a request is made at the district or regional office receiving the request and maintaining the appropriate records.

Statistics--Statistical data is submitted to the Central Office from a variety of sources, and tabulated and analyzed by the Statistical Analysis Branch. This includes both workload data and statistics on immigrants, refugees, nonimmigrants, deportable aliens and nationality from manual and automated sources. As appropriate, monthly, quarterly, annual, or special ad hoc reports or bulletins are published. Statistical information and analyses are provided to Service management, the interested public, other agencies and Congress. Technical advice is provided within the Service on statistical matters. The Statistical Analysis Branch also maintains liaison with other agencies and outside groups which have related statistical and policy interests.

Accomplishments and Workload: Accomplishments of the Information and Records Management program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Information Services:				
Pending Beginning of Period - Correspondence	9,810	11,665 1/	25,000	38,000
Receipts - Correspondence	439,588	339,728	700,000	900,000
Completions--Correspondence	445,893	339,367	687,000	900,000
Inquiries:				
Ask Immigration Telephone System	2,220,052	2,914,290	4,500,000	5,000,000
Non Ask Immigration Telephone System	2,332,116	1,329,629	1,800,000	1,800,000
In person	4,182,777	4,852,832	6,900,000	7,700,000
Records:				
Receipts -				
Files opened	828,668	627,706	2,600,000	3,400,000
General searches	4,085,391	3,280,556	4,300,000	4,700,000
Files transferred or forwarded on loan	552,733	472,778	1,450,000	1,850,000
Filing material into "A" files	1,532,624	1,784,285	4,000,000	4,700,000
Completions -				
Files opened	828,668	607,627	2,600,000	3,400,000
General searches	4,085,391	3,255,682	4,300,000	4,700,000
Files transferred or forwarded on loan	552,733	463,074	1,450,000	1,850,000
Filing material into "A" files	1,532,624	1,661,768	4,000,000	4,700,000
FOIA/PA:				
On Hand/Receipts - Freedom of Information Act & Privacy Act Action	19,326	21,434	27,500	28,500
Completions - Freedom of Information Act & Privacy Act Action	15,303	22,768	24,500	25,500
Statistics:				
Receipts-				
Unedited and unvalidated Reports	7,225	27,600 2/	27,600	27,600

Item	1985	1986	Estimates 1987	1988
Inquiries	2,700	2,700	24,500	2,700
Completions-				
Edited and validated Reports	7,225	27,600	27,600	27,600
Public Use Tapes	15	18	20	...
Inquiries Answered	2,700	2,700	2,700	2,700

NOTES:

1/ Includes adjustments for changes at the beginning of the period.

2/ New method for calculating the workload for this item.

In November 1985, the first of two comprehensive on-site reviews of the contractor's quality control performance of data collection, document control, and data conversion operations was completed. An extensive review of INS' NIIS quality assurance on-site program was concluded in 1986. Current workload volumes received and processed through quality assurance at both contractor work-sites were completed during 1986 without developing backlogs.

Information Services in 1985 installed two totally automated "Ask Immigration" telephone answering services. The first began operation at Charlotte, N.C. in May 1985. The second began operation at Portland, Oregon, in June 1985. Workload reports from these two locations indicated that telephone assistance almost doubled at these two sites. In 1986, a fully automated disk expandable system was installed at San Jose to test and evaluate the equipment capability to provide direct local access to the Ask Immigration library tapes and then forward calls needing assistance to Western Telephone Service Centers.

The Records Systems Division implemented a workload remoting program on January 7, 1985. This program was designed to reduce excessive records workloads at selected field offices.

Statistics--The production of the INS Statistical Yearbooks, which had been delayed in previous years, was returned to schedule with the publication of the 1984 and 1985 yearbooks during 1986. Other publications during the year included quarterly reports on nonimmigrants arriving in the United States and an advance report on immigrant arrivals during 1985. The 1965 through 1985 yearbooks were made available for purchase through the National Technical Information Service.

Data collection was completed in a joint INS-Census Bureau Current Population Survey supplemental to monitor changes in the resident undocumented population. In addition, a project was initiated by the INS and the Census Bureau to project labor force growth and potential future migration from four major countries.

As a result of the enactment of the Immigration Reform and Control Act of 1986, workloads for 1987 and 1988 are projected to increase substantially, based on planning estimates developed for the implementation of the new Act. The impact is primarily reflected in information services, inquiries, and in records receipts and completions.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence.....	53	45	$2,314	53	51	$2,709	53	51	$2,709	...	...	...

Long Range Goal: Develop an international immigration intelligence capability for the collection and dissemination of information regarding global migration patterns and trends, and provide meaningful intelligence support on a regular basis to INS operational components for enhanced effectiveness and efficiency.

Major Objectives:

Provide intelligence support required for maximum operational efficiency of INS field components.

Provide regularly scheduled strategic intelligence assessments to INS management for consideration in short and long-term operational planning.

Maintain liaison with appropriate U.S. and foreign government agencies on matters regarding immigration and national security, including the movement of known or suspected international terrorists.

Furnish assistance to international immigration and enforcement agencies and international air carriers.

Provide technical support and assistance in the prosecution of major document counterfeiters, alien smugglers and other violators of the Immigration and Nationality Act and new provisions of the Immigration Reform and Control Act of 1986.

Base Program Description: The INS Intelligence Program provides strategic and tactical intelligence support and technical assistance to INS policymakers and field personnel. This support enhances Service efforts to prevent the entry of illegal aliens, terrorists, and narcotics traffickers, as well as assists in the detection and disruption of alien smuggling operations and fraud schemes designed to gain Federal benefits.

The Forensic Document Laboratory (FDL) provides scientific analysis of questioned documents and subsequent expert testimony in Federal criminal cases involving the production and use of such documents. The FDL produces working aids and develops training programs to assist INS officers in the detection of fraudulent documents, conducts surveys and research into the technical aspects of document fraud; establishes technical reference resources relating to international travel documents, and develops intelligence information regarding the technical aspects of recent document fraud schemes. The FDL also is responsible for assistance in the development in counterfeit-proof travel and identification documents. The laboratory will play a major role in the enforcement of new provisions of the Immigration Reform and Control Act of 1986, particularly in the legalization and agricultural workers programs where large numbers of aliens may submit counterfeit documentation in support of fraudulent applications for permanent resident status.

INS continues to participate with the Drug Enforcement Administration (DEA) in the El Paso Intelligence Center (EPIC). At EPIC, INS maintains databases on alien smuggling and false claims to U.S. citizenship. INS intelligence analysts provide tactical and analytical intelligence support to operational field units upon request. Additional intelligence is disseminated via periodic EPIC reports and responses to INS field inquiries. The utilization of joint intelligence efforts and the access to multi-agency information systems has proven to be a cost-effective means of producing and disseminating intelligence information.

The INS representative to the National Central Bureau (NCB) of INTERPOL became part of the Intelligence program during 1984. The INTERPOL representative enhances the international enforcement liaison capability for the Service and provides enforcement support and assistance to INS field components regarding foreign police records information.

The INS Intelligence Program also maintains responsibility for the coordination of INS resources associated with the National Narcotics Border Interdiction System (NNBIS).

Accomplishments and Workload: Accomplishments of the Intelligence program are presented in the following table:

Item	1985	1986	Estimates 1987	1988
Scientific examination and analysis of Fraudulent Documents Conducted	45,700	48,400	81,000	265,000
INS Data Inputs Processed at EPIC	25,077	21,320	26,200	27,400
Queries of INS Databases at EPIC	30,165	31,452	31,700	34,000
Positive INS Responses Provided to Queries	6,177	5,394	6,300	6,600

The estimated workload is increased in 1988 as a result of passage of the Immigration Reform and Control Act of 1986. Due to this legislation, position increases will begin in 1987 and continue into 1988.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Research & Development	2	2	$516	2	2	$539	2	2	$539	...	...	...

Long-Range Goal: Increase INS' capability to rapidly, reliably, safely, and economically detect and apprehend illegal entrants at the border before they move into the interior. Develop a formal method for more accurately estimating total intrusions into the U.S. between ports of entry. Improve secure documentation techniques supporting the immigration processes.

Major Objectives:

Research, develop, apply, and evaluate surveillance technology and systems to more effectively cover alien and drug intrusions over thousands of miles of border with emphasis on automation, reliability, and low cost.

Develop methods based on statistical techniques to support Enforcement and Examinations in detecting alien and drug smuggling, setting bond levels, minimizing costs of detention/deportation, and detecting marriage fraud.

Provide liaison with the Federal, industrial, and university research and development communities to stimulate, maintain, and integrate technical work relevant to high priority interests of INS.

Base Program Description: The Research and Development staff defines problems, develops concepts of technical solutions, fabricates laboratory models of solutions, designs and implements tests and evaluations of potential solutions, directs contractors, initiates and directs interagency technical programs, and provides technical consulting to the Central Office and operating groups.

The objectives of the programs are being pursued through in-house, contract, interagency agreement and information interchange activities. These activities cover signal processing, radar, infrared imaging, low light level video, stationary and mobile platforms, communications, mircoprocessing, data processing, automatic controls, digital and analog techniques, pattern recognition, simulation, test and evaluation, and systems analysis.

Accomplishments:

- The Image Enhancement Vehicle Program was expanded to integrate the joint interest of the Army and INS in the research and development of a low cost, automated, mobile surveillance system.
- A 2-year study was initiated to investigate the feasibility of a novel approach to high quality but low cost infrared imaging based on old semiconductor fabrication technology combined with new miniaturization fabrication techniques.
- The first year of a 3-year research grant was completed by the University of Texas at El Paso for adapting software and hardware to provide automatic means of interpreting video images and tracking images of interest, thereby removing need of manned video terminals for surveillance purposes.
- A review of INS's past research was completed for automatically and rapidly detecting people hidden in large and small vehicles. It indicated that the research should be resumed, applying newer and much more capable signal processing techniques to achieve decision time and accuracy goals of 15 seconds and 95 percent, and to maintain operational effectiveness under high wind speeds, greater levels of ground noise, and, most importantly, without the need for turning off engines or refrigerator motors.
- Initial studies were completed and reported on applying artificial intelligence and linear programming techniques to Enforcement and Examinations problems in traffic checking, bond setting, and marriage fraud.
- A comprehensive survey was completed citing and evaluating all known and anticipated technologies which may be applied to the protection of documents against fraud and to the support of Enforcement and Examinations against misuse of authentic documents.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Construction and Engineering...	18	19	$45,216	18	19	$14,046	18	19	$14,046	...	...	...

Long Range Goal: Provide adequate facilities for all INS operating units so that they can fulfill their requirements to administer the Immigration and Nationality Act and to provide maximum service to the public.

Major Objectives:

Construct, alter and maintain adequate, energy conserving, accessible to the handicapped, attractive facilities required by the operating elements to perform safely and effectively.

Base Program Description: Construction and Engineering performs the administrative functions related to the INS space and facilities requirements, provides design and construction capability for alteration of existing and new facilities, and plans and implements the energy conservation program and facilities for the handicapped program. As a result of permanent program expansions required by the Immigration Reform and Control Act of 1986, the base program has been broadened to provide adequate support.

Space is acquired through the General Services Administration (GSA), by INS lease, by INS built and subsequently owned construction, by joint INS/Customs Service construction and through assignment by airport authorities. New inspection facilities are coordinated as necessary with the Customs Service, Public Health Service, Department of Agriculture, GSA, state, county, local, airport and foreign authorities. Office space requirements are coordinated with GSA. The development and support for the design of facilities, using quality of life office systems techniques and visual identification aids, are being actively pursued.

Accomplishments and Workload: Accomplishments of the Construction and Engineering program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Major New Construction Projects	10	5	23	23
* Review Federal Buildings Fund	354	357	497	497
Building Audits	35	20	40	45
G-68 - Alterations/Repairs	155	172	340	180
Airport Projects	15	15	17	20
SF-81/144 (Request for Space) sent to GSA	82	84	215	75

* Verification of Quarterly GSA billings for all facilities Servicewide to determine accuracy.

As a result of the enactment of the Immigration Reform and Control Act of 1986, workload for 1987 and 1988 are projected to rise due to the increased number of construction projects to be executed and new office space to be planned, acquired and occupied by Service personnel.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Field Management & Support.....	314	290	$14,303	314	289	$15,961	314	289	$15,961	...	...	...

Long Range Goal: Provide day-to-day management direction to field units that implement major policy and management decisions for more than one program.

Major Objectives: Ensure effective law enforcement and uniform implementation of INS policy, procedures and operational goals; provide efficient service to the public and devise techniques and procedures for responding to regional and local conditions and circumstances.

Base Program Description: Field Management and Support is responsible for providing line management and staff support for the implementation and operation of the field activities and functions associated with the INS mission of controlling and facilitating immigration, nonimmigrant foreign travel and citizenship including support for the implementation of the Immigration Reform and Control Act of 1986. It includes managers and supervisors who are charged with responsibility for and authority over multiple programs, where more than one decision unit exists, at field locations.

Accomplishments:

The measuring instrument used for this program is the feedback received from the managers at the Central and regional offices, DOJ, OMB and Congressional delegations and INS employees at all levels.

Specific accomplishments of the program personnel are not quantifiable since this program is made up predominately of top management officials and their staff located at the many INS field offices. These officials oversee all facets of INS operations, including a support role for the implementation of the Immigration Reform and Control Act of 1986.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal Proceedings.....	618	255	$17,662	618	508	$28,459	618	508	$28,459	...	...	...

Long Range Goal: Provide legal representation for the U.S. Government in all cases and matters arising before Immigration Judges and the Board of Immigration Appeals; provide representation for INS in all other contested administrative hearings in which the agency is involved; provide legal advice and support to INS operating personnel on all legal matters, including those arising from passage of the Immigration Reform and Control Act of 1986; and provide litigation assistance in all INS cases being tried in the Federal courts.

Major Objectives:

Try exclusion and deportation cases expeditiously.

Provide prompt and professional representation for INS at all other administrative hearings.

Provide legal counsel to INS officers operating in the field.

Provide more litigation assistance and achieve more successful results in Federal court litigation involving INS.

Base Program Description: INS attorneys represent INS before Immigration Judges, the Board of Immigration Appeals, the Merit Systems Protection Board, the Equal Employment Opportunity Commission, and Boards of Contract Appeals. Attorneys provide litigation support in agency litigation being conducted in U.S. District Courts, Courts of Appeals, and the Supreme Court. Attorneys also advise the Central Office, Regional Commissioners, District Directors, and Border Patrol Sector Chiefs regarding legal problems arising at all levels of agency operations.

Accomplishments and Workload: Accomplishments of the Legal Proceedings program are presented in the following table. Workload projections reflect passage of the Immigration Reform and Control Act of 1986.

Item	1985	1986	Estimates 1987	Estimates 1988
Workload Demand Estimates				
Trial Attorney Appearances	182,152	237,191	270,400	517,800
Workload Production Estimates				
Cases Prepared	159,239	194,158	225,800	461,100
Preparation of Legal Briefs	8,258	13,509	15,800	31,900
Legal Consultation -- Litigation	54,970	64,678	75,300	153,700
Legal Consultation -- INS Branches	69,333	80,636	93,900	191,800
Collection of overdue debts ($'s)	2,600,000	2,459,962	2,500,000	3,000,000

The attorney consolidation and other organizational improvements made over the past several years to streamline the Legal Proceedings program are now complete and producing dramatic results. We now have the structure in place and an attorney staff that is individually well trained to carry on exclusion and deportation hearings, work with the U.S. Attorneys, and provide optimum legal administrative support to INS management and operations in the field. The Office of the General

Counsel continues to move aggressively on many fronts, e.g., planning for the Immigration Reform and Control Act of 1986, and launching new initiatives to continue the trend of increased litigative success and improved administrative legal support to the Service:

- Productivity improvement. In 1985 there were 1,103 appearances and 965 cases prepared per attorney. In 1986, this had increased to 1,340 appearances, up 21 percent, and 1,096 cases prepared, an increase of 14 percent.

- Recruiting has been improved. INS has assumed a major role in the Attorney General's Honor Law Graduate Program. In 1985, 200 candidates were interviewed, and 12 were hired. In 1986, 250 were interviewed and over 30 were hired. The Honor Law Graduates represent over 50 of the top law schools in the country.

  Equal employment objectives were also furthered by this effort in that some twenty percent of those hired are minorities, and fifty percent, women.

- Relations with U.S. Attorneys have been improved . INS has historically faced difficulty in the prosecution and presentation of its cases in the U.S. Attorney's offices because of the legal complexity of the cases. The Office of General Counsel has made considerable progress in eliminating this problem by conveying the importance of the INS mission at U.S. Attorney conferences throughout the country, and by continued meetings with the U.S. Attorney. It has instituted a Special Assistant U.S. Attorney's program in 15 large U.S. Attorney's offices. The benefits of the program can be seen by such cases as the successful prosecution of the sanctuary defendants in Tuscon, Arizona and the authorization of 1,810 major felony prosecutions in 1986, as opposed to 1,073 in 1985. On the civil side, denials of writs of habeas corpus have increased dramatically and the number of successful injunctions and class action lawsuits against INS have diminished.

- Bad debts are being collected. In 1982, INS collected $190,000. In 1985, INS collected $2,653,794 and in 1986, $2,459,962. The General Counsel has developed and recommended two innovative steps in the debt collection area; new surety regulations (8 CFR 103.6) and a "Transportation Agreement" which would revitalize and update existing agreements with transportation carriers. It would correct deficiencies in the collection of fines for "transits without visas" aliens, 31 Act Overtime and fines that now exist. One major debt collection litigation case, now in discovery stage, has a potential for collecting $10,000,000. Legal Proceedings continues to actively assist operating divisions to improve their debt collection activities.

- Class action suits involving Sanctuary, INS Transfer Policy, and Salvadorans are being contested. INS is actively defending lawsuits regarding the above issues. A temporary injunction filed in the Orantes case regarding asylum rights for El Salvadorans has caused a substantial increase in detention costs for aliens filing frivolous applications for asylum. A task force consisting of Office of General Counsel attorneys, the Office of Immigration Litigation, and the U.S. Attorney's has been set up to defend these cases. In one case, Orantes-Hernandez v. Meese, over fifty INS witnesses have testified during the trial.

- Interaction with clients continues to improve. Attorneys have moved into the mainstream of Service operations as the benefits of their involvement are recognized by program managers, regional commissioners and district directors. At the same time the attorneys have become better informed about the operational needs of the Service.

- Significant litigation and litigation support. More than 1,700 cases were heard in federal district courts and courts of appeals where the Service's position was upheld more than 80% of the time.

  In Hector v. INS, the U.S. Supreme Court upheld the Service's position that a niece was not a "child" for purposes of obtaining suspension of deportation. In two other cases the Supreme Court granted certiorari: in Cordoza-Fonseca v. INS to resolve the issue of whether the "well founded fear" standard for asylum is more generous than the "clear probability" standard for withholding of deportation; and in United States v. Mendoza-Lopez, to determine whether an alien defendant in a prosecution for re-entry as a deported alien may collaterally attack his previous deportation order.

  Other significant litigation victories during the year included:

  - Fifth Circuit Court of Appeals decision in U.S. v. Merkt which upheld that the defendants convictions for transporting aliens for the Sanctuary Movement were not barred by the first amendment.

  - Eleventh Circuit Court of Appeals in Garcia-Mir v. Smith affirmed the authority of the Executive Branch to detain and deny parole to illegal Mariel Cuban criminals.

- Immigration Reform and Control Act of 1986 and other new legislation. The General Counsel has taken a number of steps to assist in the implementation of the new law, including assigning two senior attorneys to work full time on the Legalization and Employer Sanctions programs. The General Counsel also established a Prosecuting Unit to prosecute employers who violate the Sanctions provision. A senior attorney has been appointed whose principal duty will be to develop training materials to train attorneys and Service personnel about the legal aspects of the new law.

  The attorneys in Legal Proceedings have also conducted extensive liaison with the Subscommittee on Immigration, Refugee and International Law; the Executive Office of Immigration Review; Office of Immigration Litigation; and other offices in the Department of Justice to assist in implementing the following new legislation impacting on immigration:

  - Immigration Marriage Fraud Amendments of 1986
  - User Fee Legislation
  - Anti-Drug Abuse Act of 1986
  - Consular Efficiency Bill
  - Omnibus Territories Bill

  In addition to liaison functions, attorneys spent a great deal of time drafting regulations, producing legal opinions and memorandums to management and the field interpreting provisions in the new legislation, and establishing legal definitions for significant "key" phrases of the new legislation to assure consistent legal guidance to the field.

Activity: Program Direction	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive direction and control	200	184	$9,486	200	194	$10,814	200	194	$10,814	...	...	...
Administrative services.....	470	423	27,583	470	465	31,385	470	465	31,385	...	...	...
Total.....	670	607	37,069	670	659	42,199	670	659	42,199	...	...	...

This activity provides for the overall administration and management of the Service.

	1987 Appropriation			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction & Control..	200	184	$9,486	200	194	$10,814	200	194	$10,814	...	...	...

Long Range Goal: Increase the effectiveness of INS through the use of Mission Plan goals and strategies; formulate and coordinate meaningful and consistent policy; provide program direction throughout all levels of the INS; and evaluate policy with a view toward recommending practical changes.

Major Objectives:

Provide for continuity, coordination and control of the overall management and administration of INS.

Direct Servicewide policy and implementation responsibilities.

Implement major immigration reform legislation.

Improve agency responsiveness through continued enhancement of management systems including:

- maintaining and refining delegations of authority and requirements for accountability for national policy direction, for regional implementation and district and sector execution, including appropriate control of resources;
- continuing to emphasize and institutionalize INS' Management by Objectives (MBO) system with further integration between mission and priority planning and systems of resource allocation and control,
- continuing rapid development of information systems to meet the needs of INS management and national immigration policy formulation.

Increase leadership in the formulation of national immigration policy.

Base Program Description: This decision unit addresses the maintenance and enhancement of the capacity for responsive, consistent and effective overall direction of the agency in a situation of expanding workload, rapidly emerging challenges to national immigration policy and increased expectations for the control of immigration and service to the public.

Accomplishments and Workload: Accomplishments of the Executive Direction and Control program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Congressional Affairs:				
Telephone replies	37,048	25,512	97,000	97,000
Written replies	6,123	4,871	15,000	15,000
Professional Responsibility:				
Major cases received	353	443	805	775
Major cases completed	247	299	375	375
Field Inspections and Audit:				
Field inspections and audit reports production	26	20	1	26
External audit reports production	6	14	1	17

Major areas of emphasis have been improved and more effective management of the agency has enhanced operational effectiveness through the concentration of effort on high priority activities and leadership for national immigration policy. Improvements in the organization of the agency's management and decision processes have been expanded by clear structuring of the roles and responsibilities of line and program managers, supported by institutionalizing management by objectives, which now implements strategic planning through annual priority objectives integrated with resource planning allocations. Progress in control of the border will continue based on direction of carefully coordinated multi-program resource acquisition and corresponding program development for the Southern Border. Management direction has also insured progress in the Service's broad policy renewal approach to effect the detention and removal of illegal aliens, including aggressive and consistent litigation. Consistent and comprehensive action for improved service to the public has been initiated and coordinated to reconfigure programs and practices, and concentrate resources to eliminate backlogs and provide better service to those who operate within the system.

In 1987 and 1988 the impact of the Immigration Reform and Control Act of 1986 will be reflected in workload changes in replies to congressional inquiries, professional responsibility cases, and in field inspections and audits performed and reported.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative Services	470	423	$27,583	470	465	$31,385	470	465	$31,385	...	...	...

Long Range Goal: Provide the full-range of administrative support services to all INS units on a timely basis in compliance with laws, policies, and external and internal requirements.

Major Objectives:

Personnel and EEO support services and program direction on a timely basis.

Accounting support services and program direction on a timely basis.

Property management, procurement support and program direction on a timely basis.

Overall management direction and control for all management programs and the full-range of security, safety and health support activities.

Full support for the implementation of the Immigration Reform and Control Act of 1986.

Base Program Description: Administrative Services is responsible for the development, implementation, direction, evaluation and operation of administrative support systems and services that meet internal operational and managerial needs and externally mandated requirements. The major functions within this program include: personnel; accounting; EEO; procurement and property management; fleet management; security and health; A-123 program; and other miscellaneous general services, which serve all programs within INS. These functions have been expanded to provide the support critical to the implementation of the Immigration Reform and Control Act of 1986.

Accomplishments and Workload: Accomplishments of the Administrative Services program are presented in the following table:

Item	1985	1986	Estimates 1987	1988
Personnel Actions	56,215	38,619	108,789	125,000
Bills	79,782	101,612	38,000	46,700
Vouchers	150,612	162,148	163,000	169,500
Collection of Fines, Fees, etc. (000's)	57,000	75,908	177,000	308,600
EEO Evaluations and Assistance to Management Officials	334	209	350	450

Major areas of emphasis have been: (1) improved and more effective management of the agency; and (2) enhanced operational effectiveness through the concentration of effort on high priority activities and leadership for national immigration policy. Improvements in the organization of the agency's management and decision processes have been expanded by clear structuring of the roles and responsibilities of line and program managers, supported by institutionalizing management by objectives, which now implements strategic planning through annual priority objectives integrated with resource planning allocations. Progress in control of the border will continue based on direction of carefully coordinated multi-program

resource acquisition and corresponding program development for the Southern Border. Management direction has also insured progress in the Service's broad policy renewal approach to effect the detention and removal of illegal aliens, including aggressive and consistent litigation. Consistent and comprehensive action for improved service to the public has been initiated and coordinated to reconfigure programs and practices, and concentrate resources to eliminate backlogs and provide better service to those who operate within the system.

A new area of emphasis in 1987 and 1988 will be the managerial and administrative support which will be required for the implementation of the Immigration Reform and Control Act of 1986. Additional hiring and personnel actions will be impacted significantly. Purchase of additional equipment and supplies for new employees will be a critical major undertaking.

Immigration and Naturalization Service

Salaries and expenses

Status of Congressionally Requested
Studies, Reports, and Evaluations

1. The Conference Committee Report 99-414 required the Immigration and Naturalization Service to undertake a thorough review of its ADP modernization program and to share the results with the General Accounting Office and appropriate Committees of Congress. The Data and Communications program has been assigned this task. The Immigration and Naturalization Service has entered into an interagency agreement with the Federal Computer Performance Evaluation and Simulation Center (FEDSIM). Under this agreement FEDSIM will perform an analysis and evaluation of alternative systems architectures. Each alternative will address ADP equipment, systems and applications software, and data communications. FEDSIM began work on February 3, 1986. The effort, scheduled to be completed the week of September 22, 1986, has been delayed and is scheduled to be completed February 27, 1987.

   In performing the analysis of architectural alternatives FEDSIM will perform the following tasks: identify objectives; define constraints and assumptions; define evaluation criteria; document information flows and workloads; define alternative architectures and implementation approaches; model alternatives; develop cost analysis of alternatives; compare alternatives and recommended architecture; and produce final report.

2. The Senate Appropriations Committee Report 99-82 required the Attorney General, in consultation with the Secretary of Labor and the Secretary of Health and Human Services to conduct a study to evaluate the use of a telephone verification system for use by the Department of Justice in determining employment eligibility in the United States. The study shall concentrate on those databases that are currently available to the Federal Government which through the use of a telephone and computation capability could be used to verify instantly the employment eligibility status of job applicants. The Investigations program of the Immigration and Naturalization Service has been assigned this task. An initial meeting has been conducted with representatives from the Department of Health and Human Services. Agreement was reached on the method by which the study would be conducted.

3. The Senate Appropriations Committee Report 99-425 required the Immigration and Naturalization Service to conduct a study, using information obtained from the Naturalization Casework System (NACS), of citizenship applicants who are turned away as nonfiles and returns.

   The NACS software has been modified in order to determine the number of nonfiles and returns by nationality. The study is ongoing and is expected to be completed and reported by the April 1, 1987 deadline set in the Committee Report.

4. The Senate Appropriations Committee Report 99-425 required the Immigration and Naturalization Service to submit a report by January 1, 1987, on its proposals to reduce existing inspectional delays in clearing arriving international passengers for entry into the country.

The Committee, in its report accompanying H.R. 5161, addressed the issue of inspection delays occasionally experienced by foreign travellers at the nation's larger international airports. While the Service has in recent months taken actions to minimize these delays, consistent with its overriding mission of enforcing the law through control of applicants for admission to the U.S., there continues to exist a structural imbalance between available resources and workload demand.

The User Fee Legislation, contained in P.L. 99-500 was formulated to alleviate this imbalance by providing resources sufficient to allow INS to staff airport and seaport facilities at a level that will insure that inspectional services are sufficient to meet the demands of the travelling public and that a consistently efficient enforcement posture is maintained in the inspection of all arriving aircraft and vessels.

To implement the specific provisions of the legislation, and to conform to the program objectives outlined in the appropriations committee report, INS is taking action to hire an additional 300 airport inspectors for assignment to major airports and seaports Nationwide. Also included are requests for authority to expend funds on the expansion of the preclearance concept to major airports worldwide, since the Service's ability to effectively manage arriving passengers is greatly enhanced when preinspection processes have been employed. Additional User Fee cost items are: expansion of ADP Support Systems at major airports, detention of aliens deemed inadmissible to the U.S. and development of a National Debt Collection System.

Immigration and Naturalization Service

Salaries and expenses

Priority Rankings

Base Program

Program	Ranking
Inspections	1
Border Patrol	2
Adjudications and Naturalization	3
Information and Records Management	4
Detention and Deportation	5
Legal Proceedings	6
Data and Communications Systems	7
Investigations	8
Administrative Services	9
Executive Direction and Control	10
Field Management and Support	11
Anti-Smuggling	12
Training	13
Construction and Engineering	14
Refugee and Overseas	15
Intelligence	16
Research and Development	17

Immigration and Naturalization Service

Salaries and expenses

Detail of Permanent Positions by Category
Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized Request	1987 Program Supplemental	1987 Total	1988 Request
Attorneys (905)	291	291	253	544	544
Paralegal Specialist (950)	41	41	...	41	41
Other Legal and Kindred (900-998)	432	432	126	558	558
Contact Representative (962)	295	295	...	295	295
Detention and Deportation Officer (1801)	846	846	135	981	981
Criminal Investigators (1811)	1,172	1,172	913	2,085	2,085
Immigration Inspectors (1816)	1,994	1,437	140	1,577	1,577
Border Patrol Agents (1800-1899)	3,232	3,232	1,571	4,803	4,803
Other Miscellaneous Occupations (001-099)	6	6	...	6	6
Social Sciences, Economics and Kindred (100-199)	27	27	...	27	27
Personnel Management (200-299)	159	159	15	174	174
General Administrative and Clerical (300-399)	2,548	2,548	1,070	3,618	3,618
Port Receptionists(310)	3	3	...	3	3
Accounting and Budget (500-599)	134	134	5	139	139
Medical, Dental and Public Health (600-799)	9	9	...	9	9
Engineering and Architecture (800-899)	123	123	2	125	125
Information and Arts Group (1000-1099)	30	30	...	30	30
Business and Industry Group (1100-1199)	37	37	7	44	44
Physical Sciences Group (1300-1399)	3	3	...	3	3
Mathematics and Statistics Group (1500-1599)	1	1	...	1	1
Equipment Facilities and Service (1600-1699)	25	25	...	25	25
Education Group (1700-1799)	4	4	7	11	11
Supply Group (2000-2099)	52	52	5	57	57
Border Patrol Pilots (2181)	76	76	37	113	113
Transportation (2100-2199)	9	9	...	9	9
Other (WG)*	145	145	30	175	175
Total	11,694	11,137	4,316	15,453	15,453
Washington	1,065	1,065	300	1,365	1,365
U.S. Field	10,395	9,836	3,976	13,814	13,814
Foreign Field	234	234	40	274	274
Total	11,694	11,137	4,316	15,453	15,453

* Janitorial/maintenance and Foreign service locals

Immigration and Naturalization Service

Salaries and expenses

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	FTE	Budget Authority
1987 as enacted	11,137	11,325	$693,000
Pay and FERS supplemental requested	...	...	15,774
Program supplemental requested	4,316	626	147,793
Total supplementals requested	4,316	626	163,567
Rescission requested due to reimbursements from user fees	...	...	-24,598
1987 appropriation anticipated	15,453	11,951	731,969
Adjustments to base:			
Savings resulting from management initiatives	...	-219	-2,572
Transfers to and from other accounts:			
Transfer of FASS group	...	...	20
Total Adjustments	...	-219	-2,552
Uncontrollable increases:			
Partial annualization of additional positions approved in 1987	...	2,428	$79,200
Annualization of 1987 pay raise and FERS	...	...	36,991
One additional compensable day	...	...	1,327
Within-grade increases	...	...	2,842
Locality based per diem	...	...	850
Federal employees' compensation act (FECA) - workers' compensation	...	...	1,193
GSA rent	...	...	10,864
GSA recurring reimbursable services	...	...	195
Federal telecommunication system (FTS)	...	...	1,459
Telephone service	...	...	51
GPO printing cost	...	...	117
Employee data and payroll services	...	...	497
Foreign allowances	...	...	742
Distributed administrative support	...	...	324
Audio visual and media services	...	...	2
General pricing level adjustment	...	...	10,162
Total, uncontrollable increases	...	2,428	148,918
Decreases:			
Nonrecurring costs for new construction	...	...	-35,000
Nonrecurring costs for full field investigations	...	...	-832
Nonrecurring costs for change in hourly rate	...	...	-772
Nonrecurring costs for reduction in health benefits	...	...	-897
Nonrecurring costs for reduction per page cost of the federal register and the code of federal regulations	...	...	-4
Adjustments due to Immigration User Fee Account	...	-1	...
Total, decreases	...	-1	-37,505
1988 Base	15,453	14,159	838,828

Immigration and Naturalization Service
Salaries and expenses
Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	FTE	Budget Auth.
Transfers to and from other accounts:			
Savings resulting from management initiatives:			
1. Management and productivity savings	...	-219	-$2,572
This initiative will achieve a 219 FTE savings by utilizing commericially available services. Open market competition should yield lower cost on commonly required general maintenance and repairs. This reduction is in conformance to the Administration's initiative to achieve production improvements in government agencies.			
2. Transfer of FASS group	...	...	20
This represents the transfer of the Financial and Administrative Systems Support Group from the General Administration to the Working Capital Fund. The transfer of this group will place all of JMD financial, administrative systems support services on a user-reimbursable basis.			
Uncontrollables increases:			
1. Annualization of 1987 pay increase	...	...	9,748
This request provides for the annualization of the January 4, 1987 pay increase. The calculation of the amount required for annualization is based on 68 paid days (October 1, 1986 through January 3, 1987) which wre not included in the pay raise amount of $11,176,000. Additionally, $6,836,000 of the 1987 pay requirement was absorbed. Total annualization required is $9,748,000.			

68/261 x pay raise amount for 1987	$2,912
1987 absorption of pay	6,836
Total annualization	9,748

1170

	Perm. Pos.	FTE	Budget Auth.
2. Annualization of Federal Employees' Retirement System Costs.....	...	...	$27,243

This request provides for the additional costs in 1988 necessary to continue implementation of the Federal Employees' Retirement System Act of 1986, P.L. 99-335. This act established a retirement program for Federal civilian employees and postal workers hired after December 31, 1983 who are covered by social security, and for employees under the Civil Service Retirement System who choose to transfer into the new system. The calculations were determined from an OMB approved formula. Total annualization required is $27,243,000.

3. Partial annualization of 4,316 positions approved in 1987.....			...	2,428	79,200

	Approved 1987 Increase	Annualization Required
Annual salary rate of 4,316 approved positions.....	$99,191	
Less lapse (80 percent).....	-89,051	$63,360
Net compensation.....	10,140	
Associated employee benefits.....	6,085	15,840
Total costs subject to annualization.....	16,225	79,200

4. One additional compensable day.....			...	...	1,327

The annual salary rate for Federal employees is based on 260 paid days. FY 1988 has one more compensable day (262) than 1987 (261). (Permanent personnel compensation and benefits totalling $345,020,000 - 260 = $1,194,000 plus $133,000 for benefits.) This is based on personnel costs prior to computing Immigration Reform estimates. Costs for Immigration Reform are included in the additional positions approved in 1987 (See uncontrollable increase 3.)

5. Within-grade increases.....			...	...	2,942

This request provides for an expected increase in the cost of within-grade increases. This increase is generally consistent with increase experienced in recent years and is approximately one percent above the base for compensation and

	Perm. Pos.	FTE	Budget Auth.
related benefits for permanent employment. (Personnel compensation $2,648,000 and benefits $294,000 = $2,942,000). This is based on personnel costs prior to computing Immigration Reform estimates. Costs for Immigration Reform are included in the additional positions approved in 1987 (See uncontrollable increase 3.)			
6. Locality based per diem	...	...	$850
Public Law 99-234 authorized a new locality-based per diem and lifted the $75.00 ceiling in certain geographic areas. An uncontrollable increase of $850,000 is required to meet the expected 12.5 percent increase to total travel funds.			
7. Federal Employees' Compensation Act (FECA) - Workers' Compensation	...	...	1,193
This increase reflects the billing provided by the Department of Labor for the actual costs in 1986 of employees' accident compensation. The 1988 amount will be $1,193,000 over the 1987 base.			
8. GSA Rent	...	...	10,864
In 1987 the Rent System replaces the Standard Level User Charges (SLUC) system. GSA will charge rental rates that approximate those charged to commerical tenants for equivalent space and related services. An uncontrollable increase of $5,878,000 is required to meet our commitment to GSA.			
9. GSA recurring reimbursable services	...	...	195
Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.2 percent increase of $195,000 in fees for these services in 1988 over 1987 charges of $4,642,857.			
10. Federal Telecommunication System (FTS)	...	...	1,459
The General Service Administration has advised of a 16 percent increase in Federal Telecommunications System (FTS) intercity costs for 1986. This increase is mainly due to unanticipated tariff increases, savings GSA had built into their original budget estimate which will not materialize and FY 1985 costs which were not billed by GSA last year. An increase of $1,058,000 over the 1987 base of $6,612,500 is requested.			

	Perm. Pos.	FTE	Budget Auth.
11. Telephone service	...	...	$51

On February 25, 1986, the District of Columbia Public Service Commission (PSC) issued its final order in the Chesapeake and Potomac telephone company (C&P) rate case. The PSC, in its order, allowed C&P to increase its rates by $31 million and set the rates for C&P's intrastate services.

The PSC order affects the rates the Federal Executive Agencies will pay for basic exchange service, CENTREX services, service connections, direct inward dialing services and channal services. These changes will increase the FY 1987 cost of operating the Justice Telecommunications Service (JTS) by an estimated $552,000.

An increase of $51,000 over the 1987 base is requested to pay these charges.

12. GPO printing cost	...	...	117

The Government Printing Office (GPO) is currently projecting a 3 to 4 percent increase over the 1987 printing cost of $3,904,926. An additional $117,000 will be required in 1988.

13. Employee data and payroll services	...	...	497

Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems maintenance and payroll accounting are based on the number of records maintained. The rate of $145.64 per record in FY 1986 will be raised to $155.76 per record for FY 1988. The change is based on anticipated uncontrollable cost increases of 6.9 percent for the operation of the Justice Employee Data Service.

An additional increase of $366,000 has been included to improve the Human Resources Management Information System (HRMIS). This improvement will enhance the productivity of all Department components as well as the support units of accounting, budgeting and procurement. This retooling of support systems will allow the Department to operate an efficient, effective and businesslike administrative operation.

	Perm. Pos.	FTE	Budget Auth.
14. Foreign allowances	...	...	$742
Allowances for Government employees in foreign areas are determined by the Department of State. The State Department anticipates a 7.9 percent increase in 1988. The requested increase of $742,000 provides 7.9 percent more than the $9,392,404 budgeted for 1987.			
15. Distributed Administrative Support	...	...	324
Under the Foreign Affairs Administrative Support agreement an annual charge is made by the Department of State (DOS) for administrative support items. The amount of this charge is determined by the DOS. The DOS advises that a 5 percent increase in foreign operation costs is anticipated. The increase of $324,000 is based on the 1986 base availability of $6,480,000.			
16. Audio visual and media services	...	...	2
This increase reflects proposed rate increases for various types of audiovisual services that range from seven to 240 percent higher than percent rates. An estimated 16.5 percent overall increase will be assigned to each affected organization for 1988. This equates to an increase of $2,000 over the 1987 base of $12,000.			
17. General pricing level adjustment	...	...	10,162
This request applies OMB pricing guidance as of December 1986 to selected expense categories. The increased costs identified result from applying a factor of 3.5 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expenses where inflation has already been built into the 1987 estimates.			
Total uncontrollable increases	...	2,428	146,916

	Perm. Pos.	FTE	Budget Auth.
Decreases (automatic non-policy):			
1. Reduction for new construction	...	...	-$35,000
$35 million was requested for new construction in the 1987 supplemental appropriations request.			
2. Reduction for full field investigations	...	...	-832
Nonrecurring cost for full field investigation conducted in 1987 for new positions received in that year.			
3. Reduction for change in hourly rate	...	...	-772
Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985 required that the computation of annual salary rates to be based on 2,087 hours rather than 2,080. The same amount that was reduced in 1984 and restored in 1986 is requested for reduction in 1988.			
4. Reduction in Health Benefits	...	...	-897
The Federal Employees' Health Benefits Act (P.L. 93-246) provide that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1986, the Department's actual contribution to health insurance decreased due primarily to reduce carrier rates. The requested decrease of $897,000 was derived from the decreased costs from pay period #1 ($426,063) to pay period #2 ($391,567) projected for 26 pay periods.			
5. Reduction in per page cost of the Federal Register and the Code of Federal Regulations.	...	...	-4
The Legislative Branch Appropriation Act of 1978 (P.L. 95-941) amended the Federal Register Act to require Federal agencies to reimburse the Government Printing Office for costs of printing, binding and distributing the Federal Register (FR) and the Code of Federal Regulations (CFR). The current cost estimates from GPO indicate a per page cost of $390 for the FR and $55 for the CFR for 1988. This represents an $18 per page decrease for the FR and a $5 per page decrease for the CFR.			

	Perm. Pos.	FTE	Budget Auth.
6. Adjustments due to Immigration User Fee Account	...	-1	...
This is a technical adjustment made to reflect the 1987 rescission in 1988. The 1987 Department of Justice Appropriations Act provides for the establishment of an "Immigration User Fee Account". Since this Act authorizes the Secretary of Treasury to refund the amounts paid for certain expenses incurred, this workyear is double accounted and needs to be removed from the direct appropriation and made a reimbursable workyear.			
Total decreases	...	-1	-37,505
Total, adjustments to base	...	2,208	106,859

Immigration and Naturalization Service

Salaries and Expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1987 Estimate Positions & Workyears	1987 Estimate Amount	1988 Estimate Positions & Workyears	1988 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level IV, $72,300	1		1		...	...
ES-5, $70,500	1		1		...	...
ES-4, $68,700	12		12		...	...
ES-3, $66,237	4		4		...	...
ES-2, $63,764	2		2		...	...
ES-1, $61,296	12		12		...	...
GS/GM-15, $53,830-69,976	124		124		...	...
GS/GM-14, $45,763-59,488	609		609		...	...
GS/GM-13, $38,727-50,346	494		494		...	...
GS-12, $32,567-42,341	894		894		...	...
GS-11, $27,172-35,326	2,263		2,263		...	...
GS-10, $24,732-32,148	45		45		...	...
GS-9, $22,458-29,199	5,159		5,159		...	...
GS-8, $20,333-26,435	127		127		...	...
GS-7, $18,358-23,866	833		833		...	...
GS-6, $16,521-21,480	1,214		1,214		...	...
GS-5, $14,822-19,268	1,865		1,865		...	...
GS-4, $13,248-17,226	1,000		1,000		...	...
GS-3, $11,802-15,339	473		473		...	...
GS-2, $10,816-13,611	25		25		...	...
GS-1, $9,619 - 12,036	2		2		...	...
Ungraded positions	214		214		...	...
Total, appropriated positions	15,453	$391,536	15,453	$399,406	...	$7,870
Pay above stated annual rates	...	1,561	...	2,755	...	1,194
Lapses	-4,461	-102,245	-2,492	-53,774	1,969	48,471
Savings due to lower pay scales for part of the year	...	...	...	...	...	...
Net full-time permanent	10,992	290,852	12,961	348,387	1,969	$57,535
Other than permanent:						
Part-time permanent	192	3,128	192	3,454	...	326
Temporary employment	455(263)	7,414	694(263)	12,484	239	5,070
Other part-time and intermittent employment	312(2)	5,084	312(2)	5,613	...	529
Other personnel compensation:						
Overtime	668	9,806	841	11,773	173	1,967
Administratively uncontrollable overtime	687	10,085	800	11,199	113	1,114
Other compensation	1,924	28,242	2,470	34,575	546	6,333
1931 Act Overtime	159(191)	2,334	159(191)	2,334	...	...
Special personal services payments	...	296	...	296	...	...
Total, workyears and personnel compensation	15,389(265)	357,241	18,429(265)	430,115	3,040	72,874
Average ES Salary		($65,256)		($65,256)		
Average GS/GM Salary		($22,977)		($22,977)		
Average GS/GM Grade		(8.49)		(8.49)		

Immigration and Naturalization Service

Salaries and expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class		1987 Estimate Workyears	1987 Estimate Amount	1988 Estimate Workyears	1988 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1	Full-time permanent	10,992	$290,852	12,961	$348,387	1,969	57,535
11.3	Other than permanent	959	15,626	1,198	21,551	239	5,925
11.5	Other personnel compensation	3,438	50,467	4,270	59,881	832	9,414
11.8	Special personnel services payments	...	296	...	296	...	...
	Total, workyears and personnel compensation	15,389	357,241	18,429	430,115	3,040	72,874
Other objects:							
12	Personnel benefits		61,379		105,501		44,122
13	Benefits to former personnel		255		255		...
21	Travel and transportation of persons		37,099		53,875		16,776
22	Transportation of things		2,641		1,541		-1,100
23.1	Standard level user charges		31,320		42,184		10,864
23.2	Rental payments to others		2,049		2,049		...
23.3	Communications, utilities, and other rent		17,009		18,424		1,415
24	Printing and reproduction		10,481		4,494		-5,987
25	Other services		98,047		115,837		17,790
26	Supplies and materials		25,568		30,474		4,906
31	Equipment		53,929		33,782		-20,147
32	Lands and structures		38,332		201		-38,131
42	Insurance claims and indemnities		27		27		...
44	Refunds		19		19		...
91	Unvouchered		50		50		...
	Total obligations		735,446		838,828		103,382
	Unobligated balance, start-of-year		-3,477		...		
	Unobligated balance, end-of-year		...		...		
	Total requirements		731,969		838,828		
	Relation of obligations to outlays:						
	Total obligations		735,446		838,828		
	Obligated balance, start-of-year		75,704		158,673		
	Obligated balance, end-of-year		-158,673		-122,247		
	Outlays		652,477		875,254		

Immigration and Naturalization Service

Salaries and expenses

Status of Construction and Summary of New Facilities Requirements
(dollars in thousands)

Project	Budget Request or Appropriation: Planning and Site Acquisi. Fiscal Year	Amount	New Construction or Expansion of Existing Facilities: Fiscal Year	Amount	Total Funding	Total Current Cost Est. or Actual	Current Status January 1987: Oblig. to Date	Stage of Programs	Estimate Completion Date	Estimated Activation Date
I. Under construction or fully funded:										
1. Imperial Beach, CA BPS.....	1985-86	$182	1987	$1,825	$2,007	$2,007	$182	In Procure-ment for BID Solicitation	11/87	11/87
2. Douglas, AZ BPS and Garage.....	1985-86	102	1987	1,002	1,104	1,104	102	In BID Evaluation	7/87	7/87
II. Partially funded:										
1. El Paso, TX BPS.....	1985-86	195	1987-88	2,600	2,795	2,795	195	Design 95% Complete	9/88	9/88
2. Ajo, AZ BPS.....	1985-86	86	1987-88	850	936	936	86	Design Complete	8/88	8/88
3. Naco, AZ.....	1985-86	70	1987-88	650	720	720	70	Design Complete	8/88	8/88

Project	Budget Request or Appropriation: Planning and Site Acquisi. Fiscal Year	Amount	New Construction or Expansion of Existing Facilities Fiscal Year	Amount	Total Funding	Total Current Cost Est. or Actual	Current Status January 1987 Oblig. to Date	Stage of Programs	Estimate Completion Date	Estimated Activation Date
III. Planned facilities:										
1. Temecula, CA Traffic Check	1987-88	$200	1987-88	$1,800	$2,000	$2,000	...	Site prep. State of CA.	7/88	7/88
2. El Centro, CA Traffic Check (2)	1987-88	67	1987-88	600	667	667	...	Under study	7/88	7/88
3. Las Cruces, NM Traffic Check (2)	1987-88	67	1987-88	600	667	667	...	Under study	7/88	7/88
4. Laredo, TX Traffic Check (2)	1987-88	66	1987-88	600	666	666	...	Preparation of A/E solicit.	7/88	7/88
5. Under consideration: Brownfield, CA Las Cruces, NM McAllen, TX Calexico, CA Cotulla, TX Tecate, CA Nogales, AZ El Centro, CA Uvalde, TX Yuma, AZ Yselta, TX	1987-88	790	1987-88	7,110	7,900	7,900	...	Under study	10/88	10/88
6. Modification of Topographical features	1987-88	400	1987-88	3,600	4,000	4,000	...	Under study	10/88	10/88
7. Oakdale II	1987-88	1,500	1987-88	13,500	15,000	15,000	...	Under study	10/88	10/88

DEPARTMENT OF JUSTICE

Immigration and Naturalization Service

Immigration Legalization

Estimates for Fiscal Year 1988

Table of Contents

Item	Page Number
Summary Statement	1
Summary of Requirements	2
Justification of Program and Performance	3
Status of Congressionally Requested Studies, Reports, and Evaluations	8
Financing and Requirements by Object Class	10

Immigration and Naturalization Service

Immigration Legalization

Summary Statement

Fiscal Year 1988

The Immigration Reform and Control Act of 1986, Title II, Sections 201-204, establishes a Legalization program which provides temporary resident status to aliens who entered the U.S. illegally or lapsed into illegal status prior to January 1, 1982, who resided continuously in the U.S. since then, and who are not excludable. It also adjusts the status of these people to permanent resident after 18 months of temporary status upon showing general admissibility and basic citizenship skills. Section 202 futher provides for adjustment to permanent resident status of certain Cubans and Haitians who entered the U.S. prior to January 1, 1982.

To implement this program, the Immigration and Naturalization Service will require $125,241,000, 292 permanent positions, and 1,002 FTE workyears in 1987. Due to growth in application processing workloads the program will require $144,445,000, and 2,369 FTE workyears in 1988. The cost of the program is to be paid from fees paid by applicants for temporary and permanent resident status.

Section 201 calls for the Attorney General to prescribe a fee schedule to charge aliens for filing for adjustment. The fees collected will be available, without fiscal year limitation, to cover all the administrative and other expenses incurred in connection with processing applicants for Legalization (except adjusting Cubans and Haitians), and will include expenses of the Federal Bureau of Investigation (FBI) and other Federal agencies.

72-165 O—87——98

Immigration and Naturalization Service

Immigration Legalization Account

Summary of Requirements
(Dollars in thousands)

	Amount
1987 estimate of obligations	$125,241

Estimates by budget activity/program	1987 Estimated Obligations	1988 Base	1988 Estimate	Increase/Decrease
1. Enforcement	$556	$556	$1,981	$1,425
2. Citizenship and Benefits	36,100	36,100	60,360	24,260
3. Immigration Support	66,336	66,336	71,130	4,794
4. Program Direction	22,249	22,249	10,974	-11,275
Total	125,241	125,241	144,445	19,204

Immigration and Naturalization Service

Immigration Legalization Account

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Immigration Legalization	1987 Authorization Anticipated	1988 Authorization Anticipated	Increase/Decrease
Detention and deportation.....	$556	$1,981	$1,425
Adjudications and naturalization...	36,100	60,360	24,260
Training.....	305	...	-305
Data and communication systems.....	27,000	26,100	-900
Information & records management...	9,700	18,611	8,911
Intelligence.....	800	2,286	1,486
Research and development.....	126	145	19
Construction and engineering.....	27,300	20,019	-7,281
Field management & support.....	305	357	52
Legal proceedings.....	800	3,612	2,812
Executive direction and control....	449	985	536
Administrative services.....	21,800	9,989	-11,811
Total.....	125,241	144,445	19,204

Immigration and Naturalization Service

Immigration Legalization

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Immigration Legalization

This budget activity includes resources for the payment of specific expenses necessary in conducting a nationwide immigration legalization program, pursuant to the Immigration Reform and Control Act of 1986, Title II, Sections 201-204. This part of the Act provides temporary resident status to aliens who entered the U.S. illegally or lapsed into illegal status prior to January 1, 1982, who resided continuously in the U.S. since then, and who are not excludable. It also adjusts the status of these people to permanent resident after 18 months of temporary status upon showing general admissibility and basic citizenship skills. Section 202 further provides for adjustment to permanent resident status of certain Cubans and Haitains who entered the U.S. prior to January 1, 1982. The program will be complex and large in scale. INS will establish temporary offices to receive applicants and large regional processing centers in which applications will be reviewed and approved or disapproved.

Long Range Goal: To receive, process, review and subject to final action all applications submitted for temporary and permanent resident status under the Immigration Legalization Program, authorized by P.L. 99-603, Title II, Sections 201-204.

Major Objectives:

- To establish up to 100 temporary legalization offices in key locations throughout the country for the purpose of receiving applications for temporary and permanent resident status.
- To establish four regional processing centers to receive completed applications from the legalization offices, review, and approve or disapprove the applications.
- To enter into deportation proceedings those aliens not approved for temporary and permanent resident status who do not elect to leave the country voluntarily.

- To provide training for the personnel who will be staffing the legalization offices and regional processing centers.

- To provide high speed data and communications systems support for the various offices to support the application receipt, review, and decision making processes.

- To provide reliable and accurate information and records support for the various offices so that information needed for the review of applications is correct and provided in such a way that processing is expedited.

- To provide necessary intelligence and document analysis to prevent the approval of fraudulent applications supported by falsified documents.

- To conduct limited research into the development of fraud resistant documents and cards for use in the legalization program.

- To provide the representation needed by the Service in all legal proceedings generated by the program, primarily due to deportation proceedings and hearings which will result from the denials of applications for temporary and permanent resident status.

- To assure that adequate management and administrative support is available in the field and in the Central Office so that the operations of the legalization offices and regional processing centers are efficient and that services to those offices are timely.

- To provide increased staffing for the Office of Professional Responsibility and the Office of Program Inspections and Review so that they can expand their activities to cover the legalization program.

- To provide additional staffing for the Plans and Analysis staff to develop the reports and studies required under the Immigration Reform and Control Act of 1986 pertaining to the legalization program.

Base Program Description:

INS plans to provide the administrative review, approval or denial of applications for legalization by utilizing as many as 100 temporary legalization offices strategically placed throughout the country. The agency plans to use a combination of reemployed annuitants (300), and new hires to staff the legalization offices; it will rely on a temporary workforce to do the majority of the work.

Beginning May 5, 1987, the legalization offices will accept applications from aliens for legalization. Applications will be reviewed for completeness, and interviews of aliens and alien families will be conducted. If claims appear legal then applicants will be conditionally approved and temporary resident cards will be issued. Voluntary agencies will be paid a fee by the Service for assisting the aliens in completing their application packages and in scheduling their processing through INS offices.

1186

After the Service has accepted an alien's application, final approval will be reserved until name, fingerprint and other security checks can be made. These checks will be made at one of four regional processing facilities. Fraud profiles will be developed and matched against incoming alien applications. To the extent possible, fingerprint checks with the FBI and State law enforcement officials will be done on a tape to tape match. Data entry will be a major cost item at these regional processing facilities.

At the regional processing facilities there will be adjudications, records, and intelligence personnel. Adjudications staff will review all conditional denials and sample the conditional approvals. Intelligence personnel will use sophisticated document examination techniques to analyze alien applications and supporting materials.

Aliens who are denied temporary or permanent resident status will either voluntarily leave the country or enter into the appeals process to have denials overturned. Additional personnel are included for the Detention and Deportation program in order to meet the workload requirements of the legalization program. In the Legal Proceedings program, attorneys and support staff must be added in order to represent the agency in litigation arising from the new program, in appeals, and in deportation cases which will result from denials of applications for temporary and permanent resident status.

The Research and Development program will use resources to conduct work on the development of fraud-resistant documents and immigration identification cards. This will build upon efforts by the Service in an area of long-term importance to the nation.

The Construction and Engineering request largely supports the leasing and furnishing of the legalization offices and the regional processing centers. Lesser amounts are included for increased space requirements in other offices, and for additional space management staff.

Within the Administrative Services program, efforts will be directed toward the maintenance of the current level of administrative support by the Central Office and the regional offices in the face of substantial growth in operations. Nonpersonnel resources will provide for a publicity campaign contract, vehicles, equipment, supplies, a guard services contract for the legalization offices, background investigations for temporary INS employees, printing, supplies and various other expenses.

The amount requested for the Executive Direction and Control program will allow for the expansion of the Office of Professional Responsibility and Program Inspections staffs as they confront a substantial new program; the Plans and Analysis staff will also be increased to accommodate the reporting requirements under the new law.

Accomplishments and workload: The workload for the Immigration Legalization Program is presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Applicants for temporary residence status	...	...	1,635,000	2,285,000
Basic officer training completions	...	...	50	50
Other training completions	...	...	300	100
Alien files opened	...	...	1,635,000	2,285,000
General searches completed	...	...	500,000	700,000
Information services inquiries	...	...	3,100,000	4,100,000
Scientific examination and analysis of fraudulent documents conducted	...	...	18,000	200,000
New INS data inputs at El Paso Intelligence Center (EPIC) processed	...	...	1,200	2,400
Queries researched at EPIC	...	...	2,000	4,000
Positive INS responses to queries received by EPIC provided	...	...	300	600

Workload figures are based on planning assumptions developed for the Immigration Legalization Program taking into consideration the interrelationships of the indicators and the growth of the workload in 1988 when the greatest impact on operations will be experienced.

Program Changes:

The 1988 request includes additional FTE workyears and related costs due to the additional staff needed to receive and process nearly 2.3 million applications expected to be submitted during 1988. Other changes reflected in the 1988 request include reductions due to the nonrecurring cost of equipment purchases, full field investigations, and contractual services which have been completed.

Immigration and Naturalization Service
Status of Congressionally Requested Studies, Reports, and Evaluations Under the Immigration Reform and Control Act of 1986

1. Study on Telephone Verification of Employment Eligibility

   The Immigration Reform and Control Act of 1986 requires the Attorney General, in consultation with the Secretaries of Labor and Health and Human Services to conduct a study on verifying employment eligibility via telephone. A status report is to be made to the Congress by April 1987 and a final report is due by November 1987.

   Status: Planning for a telephone verification study is in the initial stages. Various approaches are under review.

2. Visa Waiver Pilot Program

   Under the Act, the Attorney General and the Secretary of State are authorized to conduct a pilot program for certain nationals from up to eight low-risk countries to enter the United States for up to 90 days without nonimmigrant visas. Prior to implementation of a pilot project, the Attorney General must certify to the Congress that a system to monitor such entries and subsequent departures is in place. A report evaluating the visa wavier program and its impacts must be made to the Congress no later than two years after the start of the program.

   Status: INS is currently studying its Nonimmigrant Information System to determine how it might be modified to serve the program. In addition, the visa waiver pilot program has been placed on the agenda of the INS/Consular Affairs Quarterly Consultation Group for coordination.

3. Triennial Report on Immigration Impacts

   The Act formally assigns responsibility for a triennial report on immigration to the President. Actual responsibility for the preparation of the report will be shared by the various affected Federal agencies, including INS. The INS will be responsible for gathering and analyzing data on the numbers and types of aliens legally admitted to the United States and an estimate of the resident illegal alien population. The first report to the Congress is due no later than January 1, 1989 and every three years thereafter.

1189

Status: Preliminary discussions have been held with concerned agencies. Plans are being developed to ensure data availability to provide the requested information.

4. Report on Implementation of Employer Sanctions

For three years after the implementation of employer sanctions, the INS will report annually to the Congress on the operations and impacts of this program. Included in the reports will be an analysis of the adequacy of the employment verification system, the results of demonstration projects, the number of illegal aliens and violations of nonimmigrant visa status and the enforcement impacts in the U.S. labor market (to be done in cooperation with the Department of Labor).

Status: In-house discussions have been initiated in identifying information needs and the most appropriate methods for data collection.

5. Report on the Legalization Program

Two legalization reports, one due no later than November 1989 and the other by November 1992, are required by the new law. The first report, which will provide the Congress with a description of the legalized population and include information on their origins and demographic characteristics, will be the responsibility of INS.

Status: INS is currently considering the most cost effective approach to gathering the information required by the report. Discussions have also been initiated with the other involved agencies and with persons knowledgable in the field of immigration research on the most appropriate methods for collecting the required data.

6. Report on INS Requirements to Implement the Immigration Reform and Control Act of 1986.

The new law requires the Attorney General to submit a report to the Congress on what resources--type of equipment, physical structures and personnel resources--are needed by INS to implement its amendments and to carry out ongoing service and enforcement activities. The report is to be submitted within 90 days of enactment.

Status: INS is in the process of drafting its report on resource requirements. It will be forwarded to the Congress in early February.

1190

Immigration and Naturalization Service

Immigration Legalization

Financing and Requirements by Object Class
(Dollars in thousands)

Obligations by Object Class	1987 Estimate	1988 Request	Increase/Decrease
25.0 Other services	148,540	180,692	32,152
Financing			
Unappropriated balance, start-of-year	...	11,310	11,310
Collections	159,850	233,330	73,480
Transferred to INS, S & E	-125,241	-144,445	-19,204
Transferred to FBI, S&E	-23,299	-36,247	-12,948
Unappropriated balance, end-of-year	11,310	63,948	52,638

1191

DEPARTMENT OF JUSTICE

Immigration and Naturalization Service

Immigration User Fee

Estimates for Fiscal Year 1988

Table of Contents

Item	Page Number
Summary Statement	1
Summary of Requirements	2
Justification of Program and Performance	3
Status of Congressionally Requested Studies, Reports and Evaluations	6
Financing and Requirements by Object Class	7

Immigration and Naturalization Service

Immigration User Fee

Summary Statement

Estimates for Fiscal Year 1988

In the 1987 Appropriation Act for the Department of Justice, (P.L. 99-500), the Immigration User Fee Account was established effective December 1, 1986. Section 205 of the law directs the Attorney General to charge and collect $5 per individual for the immigration inspection of each passenger arriving at a port of entry in the United States, or for the pre-inspection of a passenger in a place outside the United States prior to such arrival, aboard a commercial aircraft or commercial vessel, with the exception of Canada, Mexico and adjacent islands. All fees collected are to be deposited in an Immigration User Fee Account. Section 205 of the law directs the Secretary of the Treasury to reimburse, out of the Immigration User Fee Account, to the Immigration and Naturalization Service's appropriation the amount paid for: providing immigration inspection and preinspection services for commercial aircraft or vessels; providing overtime immigration inspection services; administration of debt recovery, including the establishment and operation of a national collections office; expansion, operation and maintenance of information systems for non-immigrant control and debt collection; detection of fraudulent documents used by passengers traveling to the United States; and providing detention and deportation services for excludable aliens arriving on commercial aircraft or vessels.

The Immigration and Naturalization Service estimates collections of $120,000,000 in inspection fees for 1987 and $150,000,000 for 1988. INS' anticipated expenses resulting from the implementation of the law are $70,389,000 in 1987 and $74,000,000 in 1988. The Immigration and Naturalization Service's 1987 anticipated appropriation will be offset by a rescission of $24,598,000 associated with salaries and expenses of immigration inspections at air and seaports and the non-immigrant related automated record systems. These items, currently paid for out of appropriated funds, will now be funded through receipts to the user fee account. INS' 1988 President's budget request reflects a reduction in the 1988 estimates of $26,428,000 associated with these base items, which will now be funded through user fees.

In conformance with the specific provisions of the legislation and the program objectives outlined in the Senate Appropriations Committee Report 99-425, the Immigration and Naturalization Service will be able to staff airport and seaport facilities at a level that will ensure that immigration inspection services are sufficient to meet the demands of the travelling public, that fees are collected and deposited in a timely manner, and that a consistently effective enforcement posture is maintained in the inspection of all arriving aircraft and vessels.

Immigration and Naturalization Service

Immigration User Fee

Summary of Requirements
(Dollars in thousands)

	Amount
1987 estimate of obligations	$70,389
Anticipated additional amount for full-year	3,611
1988 Base	74,000

Estimates by budget activity	1987 Estimated Obligations	1988 Base	1988 Estimate	Increase/Decrease
Immigration User Fee Account..	$70,389	$74,000	$74,000	...

Immigration and Naturalization Service

Immigration User Fee Account

Justification of Program and Performance

Activity Resource Summary

(Dollars in thousands)

Activity: Immigration User Fee Account

This budget activity includes resources for the payments of specific expenses necessary in providing immigration inspection and pre-inspection services for commercial aircraft and vessels, providing overtime immigration inspection services for commercial aircraft and vessels, administration of debt recovery, expansion and operation of information systems for non-immigrant control and debt collection, detection of fraudulent documents, and providing detention and deportation services for excludable aliens arriving on commercial aircraft or vessels.

Long Range Goal: To utilize the capabilities provided in the establishment of an Immigration User Fee Account (P.L. 99-500); to provide and maintain sufficient resources to carry out immigration inspection and preinspection services for commercial aircraft and vessels; to administer debt collection activities and enhanced data systems support for non-immigrant control and debt collection; and maintain an effective enforcement posture regarding the inspection of passengers on all arriving aircraft and vessels.

Major Objectives:

- To pay expenses incurred in the inspection of aliens and citizens arriving from foreign territories other than Mexico, Canada or adjacent islands.
- To expand pre-inspections activities to other locations worldwide.
- To increase the Inspections program staff at selected airports and seaports.
- To improve the administration of debt recovery, including the establishment of a National Collection Office.
- To develop new data systems, and expand and upgrade existing ones to monitor and control non-immigrant travel, detect fraudulent documents, and manage debt collection.
- To provide for the detention and deportation of excludable aliens arriving on commercial aircraft or vessels.

- To increase resources devoted to conducting investigations of major smugglers.

- To conduct training for foreign carriers and immigration authorities on the detection of fraudulent documents.

Base Program Description:

The Senate Appropriations Committee, in its report accompanying H.R. 5161, addressed the issue of inspections delays occasionally experienced by foreign travellers at the Nation's larger international airports. While the Service had recently taken action to minimize these delays, consistent with its overriding mission of enforcing the law through control of applicants for admission to the U.S., there continued to exist a structural inbalance between available resources and workload demand.

The user fee provision, contained in P.L. 99-500 was formulated to alleviate this imbalance by providing a mechanism to allow for sufficient resources for INS to staff airport and seaport facilities at a level that will insure that inspections services are sufficient to meet the demands of the travelling public and that a consistently efficient enforcement posture is maintained in the inspection of all arriving aircraft and vessels.

The funding requested here will enable INS to be reimbursed for expenses related to the inspection of aliens and citizens arriving at airports and seaports from noncontiguous foreign nations, i.e., the cost of existing and new officer positions and related inspectional overtime, costs related to fraud detection and improved debt collection, and expenses associated with the detention and deportation of excludable aliens arriving on commercial aircraft or vessels.

Accomplishments and workload: The workload of the Immigration User Fee Fund Program is presented in the following table: 1/

Item	Estimates 1987	1988
Total persons inspected at airports and seaports	33,330,000	40,000,000
Smugglers apprehended (anti-smuggling)	...	200
Deportable aliens apprehended (investigations):		
Non-casework	...	4,500
Casework	...	600
Cases completed (investigations)	...	86
Cases completed (anti-smuggling)	...	100
Convictions of smugglers (total)	...	225
Number of detention days	42,000	51,000
Average stays in detention (days)	2.4	2.4
Detections	9,900	12,000
Aliens expelled	7,425	9,000
Inadmissible aliens intercepted (inspections)	41,700	50,000

1/ Note that this workload will differ from the workload depicted in the 1988 Congressional submission because only a portion of INS' total Inspections workforce and related activities will be funded through user fees. This display reflects only the workload associated with those activities funded through user fees.

The increased number of inspectors at airports and seaports will uncover more smuggling violations with fraudulent documents. This will obligate INS to pursue these investigations for criminal prosecution. Investigators will be stationed at airports and seaports to keep pace with the additional workload.

The resources provided to INS from user fees will be used across various programs, consistent with implementing this provision of the Appropriations Act. They will be distributed as follows:

Program	FY 1987 Amount	FY 1988 Amount
Inspections	$41,426	$47,076
Anti-Smuggling/Investigations	1,499	1,576
Detention and Deportation	5,544	6,307
Refugee and Overseas	374	450
Data and Communications Systems	19,801	16,626
Legal Proceedings	1,085	1,250
Administrative Services	660	715
Total	$70,389	$74,000

Immigration and Naturalization Service

Status of Congressionally Requested

Studies, Reports, and Evaluations

Section 205 of Public Law 99-500 in providing for the collection of an immigration inspections user fee directs under part (h) "disposition of receipts" a periodic review of the status of the account. The purpose of this provision is to insure that the funds being obligated in providing inspectional services under the user fee equal the receipts collected in the special user fee account. The Attorney Gereral is further directed to recommend changes in the fee to allow such equity to be maintained.

Immigration and Naturalization Service

Immigration User Fee Account

Financing and Requirements by Object Class
(Dollars in thousands)

Obligations by Object Class	1987 Estimate Amount	1988 Request Amount	Increase/Decrease Amount
25.0 Other services	$70,389	$74,000	$3,611
Financing			
Unappropriated balance, start of year	...	...	...
Collections	120,000	150,000	30,000
Transferred to INS, S&E	-70,389	-74,000	-3,611
Transfers to the general fund	49,611	76,000	26,389

1199

Mr. NELSON. I appreciate the opportunity to be with you again.

I would like to introduce Mark Everson, Executive Associate Commissioner of INS, who is here at the table with me, and we have other staffers here also who can bail me out as we have questions.

Mr. Chairman, we have a prepared statement which we would like to submit for the record.

[The statement of Mr. Nelson follows:]

DEPARTMENT OF JUSTICE
IMMIGRATION AND NATURALIZATION SERVICE
STATEMENT OF THE COMMISSIONER
ALAN C. NELSON
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE,
THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to appear before you in support of the 1988 budget request for $838,828,000 and 15,453 positions for the Immigration and Naturalization Service. When funds from the nonappropriated Immigration User Fee ($74.0 million) and Legalization ($144.4 million) accounts are included, total resources available to the agency will exceed $1 billion in 1988. This is the first budget which contains full-year funding for the implementation of the landmark Immigration Reform and Control Act of 1986. This legislation provides what the country has needed for years--a credible large-scale enforcement effort to control illegal immigration, employer sanctions, a humane amnesty program, and new agricultural workers programs.

Earlier we submitted a request for a supplemental appropriation of $147,793,000 for 1987 to begin implementing the Act, as well as to provide resources to detain Mariel Cuban criminals ($9,000,000) and cover Federal Telecommunications System tariff increases ($950,000). Most of this amount is needed to hire, train and equip the personnel needed for employer sanctions, border enforcement, Systematic Alien Verification for Entitlements (SAVE) program expansion, the control and

removal of criminal aliens, and the special agricultural workers program. I would like to take this opportunity to thank the Subcommittee for its positive response to the requests contained in the supplemental. The 1988 budget request before you annualizes our 1987 supplemental appropriations request.

The budget for INS has grown from about $440 million in 1982 at the beginning of the Reagan Administration to a request for over $1 billion in 1988. These increased resources are required to provide the country with the type of comprehensive immigration program it has needed for some time.

Now I would like to discuss the work we have under way to implement the Reform Act. Extensive work has been done to develop the regulations under which the new programs will be operating. We introduced an extra step in the process when we released draft regulations to obtain the greatest possible input from the public before the publication of the regulations in the Federal Register. This openness allowed us to obtain and consider numerous comments, many of which were taken into account before the regulations were published for formal comment. I am certain that this approach has led to the development of a superior final product.

Legalization Program

As you know, Title II of the Reform Act establishes the Legalization Program. The law provides temporary resident status to aliens who:

- entered the U.S. illegally or fell into illegal status prior to January 1, 1982
- resided continuously in the U.S. since then, and
- are not excludable.

It also adjusts the status of these people to permanent resident after 18 months of temporary status upon their showing general admissibility and basic citizenship skills.

The Reform Act stipulates that the cost of this program is to be covered from fees paid by applicants for temporary and permanent resident status. We are prepared to process as many as 1,635,000 applications by the end of FY 1987, with up to 2,285,000 more in FY 1988. INS is getting ready to open up approximately 100 local offices to receive the applications, and four major regional centers to process, review and take final action on them. The program is expected to cost $148,540,000 in 1987, and $180,692,000 in 1988, the "peak" year of activity. Of these amounts, INS is expected to incur the majority of the costs. However, to provide fingerprint and record checks on applicants we expect to reimburse the Federal Bureau of Investigations (FBI) $23.3 million in 1987 and $36.2 million in 1988. We are planning to use a combination of reemployed annuitants and new hires to staff the majority of positions in the legalization offices, where a temporary workforce will be sufficient to do most of the work. Arrangements are also being made to have qualified designated entities assist aliens in completing their applications.

With regard to the fees charged for legalization, I have determined that a separate fee for temporary and permanent applicants will be charged. The fee for temporary status will be $185 per applicant, and the fee for permanent status will be determined after the Service identifies the number of approved temporary applicants (by July 1, 1988). To ensure that large families will not be unduly burdened by a per capita fee, we will charge $185 for each

parent and $50 for each minor child living with his or her parents, and establish an overall family cap of $420.

I believe that such an approach protects the taxpayer, consistent with the language of the Reform Act, by ensuring that the Government's costs are covered by the revenue generated by the fees collected. It also assures that a reasonable fee is charged, and provides the flexibility to charge a fee for permanent residence which will ensure that costs equal revenues. The fee of $185 for temporary residence is reasonable based on the service provided and the benefit obtained by the alien. It assures that the costs of the temporary residence phase of the program are covered if only 2 million aliens (of the 3.9 million we originally estimated) apply. Should a surplus occur, the excess funds can be used to offset our expenses for the permanent residence phase of the program. This fee compares favorably with the $185-$200 in fees charged for aliens seeking entry into the United States as immigrants--specifically, $35 to $50 for the relative petition approved by INS, and $150 for the immigrant visa issued by the Department of State.

In view of the value of the benefits under this program, we expect that some aliens will attempt to obtain temporary status by submitting fraudulent applications. To counter this, our intelligence and documents analysis capabilities will be expanded. We must also expand our investigations resources to investigate and prosecute those who supply aliens with bogus documents or facilitate the filing of fraudulent applications.

Enforcement Improvements

The Reform Act provides INS with important resources and statutory authority

to control illegal immigration. This comes at a time when we are assuming a much greater role in fighting crimes perpetrated by criminal aliens and in the fight against illegal drugs.

The employer sanctions provision is the most important part of the enforcement effort. We are currently in a national informational/educational phase during which employers are being advised of the contents of the law and what they will have to do to comply with it. We will enter the actual enforcement phase in June of this year. We expect the availability of jobs for illegal aliens will be greatly curtailed with the full implementation of sanctions against employers who ignore or refuse to comply with the law.

The Service is committed to providing public education with the goal of establishing a well-informed business community regarding the sanctions provisions of the Reform Act. The Office of Employer and Labor Relations has been created within INS for this purpose. Seventy-one positions will be assigned to this unit Servicewide.

Another major provision of the Reform Act mandates the expansion of the Border Patrol. This effort is being planned over a multi-year period in view of the magnitude of the undertaking in terms of recruitment, training, acquisition of equipment, expansion of facilities, etc. The budget includes a total of 1,848 positions for the Patrol expansion. Some of these will be in support areas which are necessary to operations (radio operators, electronics technicians, auto and truck mechanics, and clerical support). The 1988 budget includes resources for this expansion which will have begun with funding in the 1987 supplemental appropriations request.

Other enforcement improvements begun with the 1987 supplemental request are under way in the Inspections, Investigations, and Anti-Smuggling programs.

Additional inspectors will be added at high-traffic/high-risk border ports of entry to reduce illegal entries into the country. The increase in personnel will allow more time for inspections, which results in the detection of greater numbers of fraudulent entry applications. In addition to the number of inspectors requested in our 1987 supplemental appropriation request, we also plan to augment inspections staff through the establishment of user fees as provided for in the Department's 1987 Continuing Resolution.

An increase in the Investigations program will provide the staff which is needed to improve productivity while meeting the provisions of the Reform Act regarding open land entry warrants. Failure to add personnel to deal with this new requirement would dilute the effectiveness of our basic investigative program. New staff will also be committed to the investigation, and prosecution of aliens using fraudulent entry documents and facilitators of immigration fraud schemes.

The Anti-Smuggling program is receiving a moderate increase to expand efforts directed at large-scale, sophisticated smuggling operations. These groups are expected to become more diversified--offering aliens transportation into the country, fraudulent documents, and "safe" contacts at their destinations--in return for higher fees for their services.

The Reform Act requires the Service to expedite the deportation of criminal aliens. This comes at a time when serious crimes involving aliens constitute a significant problem for INS investigators and a growing part of their workload.

Aliens are becoming more involved in organized criminal activities such as drug trafficking, extortion, prostitution, and gambling. When alien criminals are convicted of (or plead guilty to) deportable offenses, it is imperative that every possible effort be made to prevent them from doing further damage. We are moving ahead with the recruitment of our expanded staffs for the Investigations, and the Detention and Deportation programs to expedite the deportation of criminal aliens. Public safety will benefit greatly when these undesirable individuals are permanently removed from the country.

The Act expands the SAVE Program, turning it into a national effort to prevent illegal aliens from receiving benefits through federally funded entitlement programs such as Aid to Families with Dependent Children, Medicaid, unemployment compensation, food stamps, housing assistance, and educational assistance. This is an important step for the country. It has the potential to reduce government benefits costs by hundreds of millions of dollars in a period when our efforts must be concentrated on containing costs. The results which have been achieved by the SAVE program have been very promising. During 1986, Investigations identified nearly 50,000 ineligible aliens who were applicants for or were enrolled in benefit programs. The estimated annual savings was in excess of $100 million. Preparations are now being made to create a separate data base outside of the Department of Justice Data Center to support this expansion. This will facilitate nationwide access to the data and make the program more cost effective.

Agricultural Workers Programs

The Reform Act includes provisions for two agricultural workers programs to meet the labor needs of farmers and growers. The largest of the two,

authorized under Section 302 of the Act, mandates adjustment procedures whereby aliens who can demonstrate they have performed seasonal agricultural services in the U.S. for at least 90 days during the 12-month period ending May 1, 1986, may apply for temporary resident status. Applications under this Special Agricultural Workers (SAW) program will be received at American consulates overseas and at our domestic offices established for the Legalization program.

SAW applicants will pay the same fees as temporary resident applicants under the Legalization program: $185 per adult applicant, $50 for each eligible minor child living with his or her family, and an overall family cap of $420. Evidentiary standards will be firm but fair. An applicant must provide evidence of eligibility apart from his or her own testimony. All evidence submitted will be subject to verification. The information provided is confidential and will be used only to determine eligibility and for enforcement of the statutory penalties for false statements. Preparations are under way to receive and process as many as 800,000 applications during an 18-month period from June 1, 1987 to November 30, 1988.

The second agricultural program, which we call the "H-2A Program", will allow growers to import temporary workers after establishing that qualified domestic workers cannot be found and determining that admission of these workers will have no adverse effects on similarly employed domestic workers. Operation of this will require only limited additional staffing.

Immigration User Fees

The 99th Congress also took significant steps to permanently improve the

immigration inspection process by passing legislation to permit INS to collect a fee for the inspection and screening of each passenger arriving at a port of entry aboard a commercial aircraft or commercial vessel or for processing through overseas pre-inspection airports. Arrivals from Canada, Mexico and nearby islands do not pay the fee.

In 1987, when this fee is in effect for only a portion of the year, we expect to collect up to $120 million, while in 1988 we anticipate this will rise to approximately $150 million. Of these amounts, we expect to obligate $70.4 million in 1987 and $74 million in 1988.

These obligations will fund a variety of activities, consistent with the enabling legislation. These include: providing immigration inspection and overseas preinspection/preclearance services for commercial aircraft or vessels; providing overtime immigration inspection services; administering debt recovery, including the establishment and operation of a national collections office; expanding, operating and maintaining information systems for non-immigrant control and debt collection; detecting and investigating sources of fraudulent documents used by passengers traveling to the United States; and providing detention and deportation services for excludable aliens arriving on commercial aircraft or vessels.

The benefits to the country are considerable. First, these resources offset costs in our appropriation, allowing a reduction in appropriated funds of $24.6 million in 1987. This amount is associated with salaries and expenses of immigration officers at airports and seaports, the non-immigrant related automated records systems, and associated support to the inspections process.

We are confident that these comprehensive efforts will yield a much more efficient and effective Inspections program.

It is important to recognize that the Service has continued to carry out its existing statutory mission with great effectiveness. I would like to give you some highlights of our basic program accomplishments. I think they are impressive and indicative of the hard work being done by dedicated Service personnel.

In the Inspections program a total of 328 million persons were inspected at ports of entry and at overseas pre-inspection locations. Out of this number, 720 thousand inadmissable aliens were intercepted and denied entry--an increase of twelve percent over the 1985 denial rate. This is attributable to our concentrated efforts to improve the detection of fraudulent and malafide attempts at entry.

These efforts have led to an impressive one-year increase (1985-1986) of more than 76 percent in the detection of fraudulent documents and false claims to United States citizenship, a 70 percent increase in vehicles seized, and a 39 percent increase in drug seizure cases made by immigration inspectors. I expect similar results in the future, once we have recruited additional staff for airports and seaports with funds provided by the new Immigration User Fee, and when we begin planned operations at selected ports of entry by terrorism, drugs and fraud detection teams.

In 1986 the Border Patrol set another record in the apprehension of illegal aliens--1,692,544 apprehensions. Increasing numbers of aliens other than Mexican nationals were encountered--a trend which began several years ago and is expected to continue. Over 19 thousand alien smugglers were arrested, up almost 5 thousand from 1985.

The Patrol has become much more involved in drug interdiction operations since I met with you last year, and is now playing a key role in the "Operation Alliance". There were 1,300 seizures of druys by the Patrol in 1986, with a value of over $185 million. These figures will certainly be surpassed this year, as we expand Patrol resources in the anti-drug effort. The results we are gettiny through "Operation Alliance" are a very good indicator of what is beiny encountered on the border. In the first six months of participation, the Patrol seized 50,600 pounds of marijuana, 3,392 pounds of cocaine, and 40,000 units of various dangerous druys. It is clear that an effective Border Patrol presence on the Mexican border is now more important than ever before.

The Investigations program continues to concentrate its resources on more serious cases involving criminal and narcotics violators, fraud facilitators, and aliens who attempt to illegally receive benefits from government entitlement programs.

In 1986, Special Agents shut down 593 major fraud conspiracies involving facilitators of fraudulent immigration schemes, such as unscrupulous attorneys, notaries, arranyers of sham marriages, and manufacturers and vendors of counterfeit documents. An additional 7,212 investigations of individual perpetrators of fraud were successfully completed. In one notable case a million dollar marriaye fraud and smuggling ring, involving over 100 fraudulent marriages

between Indian Sikhs and United States citizens, was broken up with the arrest and conviction of 24 conspirators, including an immigration attorney. As a result of the operation, Canadian police seized over $35 million in 80% pure Southeast Asian heroin in British Columbia's laryest narcotics seizure.

Agents also completed 12,543 investigations of criminal aliens through the arrest and initiation of deportation proceedings. Another 44 complex investigations of alien organized crime groups were completed, many of which involved newly emerging non-traditional ethnic crime groups. For example, a task force operation successfully closed down a sophisticated alien prostitution ring operating in New York City, San Francisco, and Denver. Over 50 Taiwanese women, either smuggled into the United States or provided with fraudulently procured visas, contracted to work in brothels until they each paid off their $5,000 smuggling fees to the operators of the ring. The case resulted in one of INS' first uses of the Racketeer Influenced Corrupt Organizations (RICO) statutes, substantial periods of incarceration for the convicted principals, and seizure of over $140,000 in assets.

The Anti-Smuggling program continued to yield positive results in 1986 by concentrating its resources on major criminal conspiracy cases. Arrests of alien smugglers Servicewide topped 22,000 and a total of 7,999 prosecutions resulted in 6,579 convictions. The severity of sentences for smuggling convictions continued to increase in 1986, with sentences in major felony convictions averaging over 17 months. At the same time, nearly 14 thousand vehicles used in the smuggling of aliens were seized. They were valued at more than $31 million. If current trends continue, future cases are expected to become increasingly more complex in that major smugglers have also begun to

involve themselves in drug and weapons trafficking, hostage-taking, extortion, document vending, and other profitable and violence-prone criminal activities.

During 1986 the Detention and Deportation program continued to process and manage extremely heavy workloads. A total of 137,332 aliens were detained for a total of 1,437,266 detention days, using service processing centers and contract detention facilities in Los Angeles, Denver, Laredo, and Houston. We are now detaining approximately 3,360 Mariel Cuban criminals--as of March 6, 1987 we had: 611 in our Oakdale facility, 1,806 in the U.S. Penetentiary in Atlanta, 118 in St. Elizabeth's Hospital, 304 in Service Processing Centers, and 526 in non-Service facilities. Work continues on the development of a long-term solution for the detention of this dangerous group of aliens. However, we are appreciative of any assistance that this Subcommittee could be in encouraging liaison with other entities under your jurisdiction, such as the State Department, to assist in achieving a long-term solution to the problem.

The Adjudications program continued to meet its objectives during 1986. Over 2.2 million cases were received for processing. Of these, 644,000 were processed by Immigration Inspectors during "down time" at ports of entry. Our four Regional Service Centers functioned very effectively, with completions up by 75 percent over the last two years. These accomplishments are expected to continue into the future as a result of our efficient resource management activities.

During 1986 the Data Systems program continued to make substantial progress in expanding the data communications network and making additional systems available to service personnel throughout the country. The network now includes 153 INS field offices, allowing immediate access from approximately 1,500 work

stations to automated systems such as those now available to support casework in deportation, naturalization, legal case processing, and enforcement operational activities. The A-File Tracking System has been completed and installed in six district offices.

The Non-Immigrant Information System has been improved to the point that over 625,000 records can be loaded in a 24-hour period. Over 55 million records are now maintained on this database.

In 1986 INS maintained and improved good working contacts with our counterparts in Mexico. For example, Mexican authorities continued to intercept groups of aliens destined for the border where they would have attempted to entry the U.S. illegally. Border crime and violence persist as areas of concern for both governments. Efforts are being made to determine the causes of these problems and to resolve them. We also expect to be in more frequent contact with Mexican law enforcement authorities as Border Patrol personnel become more involved in anti-drug operations.

We have made a number of organizational changes in the last year which will be of benefit to the Service in the future. Most pertain to the implementation of the Reform Act. We have in place new units for Legalization, Legalization Appeals, Special Agricultural Workers, Employer and Labor Relations (Sanctions), and Operations Support. These are essential to implementing major provisions of the Reform Act.

Conclusion

The budget which you have before you today is the largest ever submitted for INS. I believe that it is enough to do the job which the Congress expects

the Service to do in carrying out its basic program and in implementing the Reform Act in a sound, efficient manner.

Never before has INS had the opportunity which it now has to address and resolve the problems stemming from illegal immigration. With the legislation and the resources to carry it out, we will have what we need to accomplish the goals of reform and complete the job of restoring control of our Nation's borders.

Thank you, Mr. Chairman, I will be happy to answer questions you or other members of the Subcommittee may have.

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SUMMARY OF 1988 REQUEST

Mr. NELSON. I will summarize some of the chief points and give you a couple of items that we covered in our press conference where we announced some of the new proposed regulations and rules for the implementation of the Immigration Reform Bill.

We appreciate the good hearing we had a week ago on our 1987 supplemental, and appreciate your prompt action in marking up that bill. I am here today on the fiscal year 1988 budget request for $838,828,000 and 15,453 positions for the Immigration and Naturalization Service.

In addition to these appropriated funds, there are several areas of non-appropriated funds: a user fee in the amount of $74 million, and a legalization fund in the estimated amount of $144.4 million. So if you add these non-appropriated amounts together with the $838 million that we request as appropriated, we are talking about resources available to the INS for fiscal year 1988 in excess of $1 billion.

[The following information was submitted for the record subsequent to the hearing:]

IMMIGRATION LEGALIZATION FUND RESOURCES

The 1988 budget request identifies budget authority of $180,692,000 for the Immigration Legalization Fund. $144,445 is an estimate for obligations for the Immigration and Naturalization Service and the remaining $36,247,000 will be provided to the Federal Bureau of Investigation.

Mr. NELSON. This is the first full year of funding, as you note, for the implementation of the Immigration Reform legislation. I think, as we have testified before and as you and others have indicated, this major legislation gives us an opportunity that has been needed for many years to gain control over our immigration policies, particularly the illegal immigration issue.

The INS budget has grown during the Reagan years from about $440 million in 1982 to the figure as noted of over $1 billion for 1988.

IMMIGRATION REFORM

The Immigration Reform Bill implementation is going forward, we think, in an orderly, deliberate process. Yesterday, we announced and received the approval from the appropriate Federal agencies, including OMB, to publish regulations in the Federal Register to implement the Immigration Reform Bill, for at least a major part of the Bill, sanctions and agriculture workers. Other pieces are moving down the track.

We did announce several aspects yesterday, one, the legalization fee, and the special agricultural worker program of $185 per applicant. In the case of a family we would have a family cap of $420. So if you had a husband and wife together, they would each pay $185, which would be a total of $370, then each child pays $50, but we would limit it at $420.

So in the case of a family, a family of three would pay the $420. Any other children would not pay, and we think that is fair, reasonable and a good balance.

Mr. SMITH. Is that regardless of the age of the applicant?

Mr. NELSON. Under 18 in the home. This fee is identical to the individual fee of $185, that a legal immigrant pays for their immigrant visa so we think it is not only fair and reasonable, but proper that the illegal alien who can be legalized pay a comparable fee.

It also meets the Congressional mandate of covering the cost of the program and also the Congressional mandate that it be comparable to other fees. As indicated, it is that.

We think those fees will cover the anticipated numbers. The key issue is that it would be a user fee concept for those getting the benefit and that the taxpayers not have to bear that burden. We think it is balanced, fair and based on the best estimates we can make of costs. We feel very confident and comfortable that that is reasonable, and certainly allows the illegal alien to make it.

That fee is quite reasonable compared to the money they have already probably put out for alien smugglers, lawyers, other items they have, so we don't think there should be any problem with those eligible in applying, and we encourage that.

COMMENTS ON NEW EMPLOYEE VERIFICATION FORM

We also, yesterday, Mr. Chairman, put out the draft employer verification form that will be used by employers. We think it is a good form.

We have already conferred with the U.S. Chamber of Commerce, AFL–CIO, other business groups, and think that we have boiled it down to a one-page form, but we are still asking for comments.

We are sending it out as part of the regulation package and if we can get further ways to simplify it, we welcome that. Before they are finalized, we will continue that process, but we think that is moving along well.

Of course, there is a 30-day comment period that will end roughly in the middle of April. We will review the comments and put out interim regulations, if we have to, allowing us to get them in place before the May 5th opening for the Legalization Offices and the June 1st formal beginning of sanctions.

We did, as you know, Mr. Chairman, use a unique process and one that I think worked well of going out not only asking for input initially from any interested groups on what the regulations should be, but in January of this year issuing informal draft regulations.

We received numerous comments. That helped us in the product we have now just announced. We think that has been well received, even though a number of people don't necessarily agree with all the points. That will never happen. We feel the process is in order.

OPENING OF LEGALIZATION OFFICES

We expect to open the Legalization Offices, over 100 of them, by May 5th, as scheduled. We are meeting extensively with employers, unions, community groups, asking for their input and suggestions, and also telling them what we are planning.

In the next few months we will be accelerating public information campaigns, distribution of these forms, and procedures. We think we will be able to move forward in a proper manner to implement the law.

As noted in the testimony also based on the Congressional authorization, we have been hiring a number of re-employed annuitants to bring experienced people and a temporary work force to help us in this program.

Since legalization is a temporary program, we need to staff up with several thousand people, but obviously not to add those to the permanent payroll. That is going forward.

We have had excellent cooperation from both the General Services Administration and the Office of Personnel Management as well as OMB in processing and space, and in bringing on these people. Again, there will be some difficulties, I am sure, but over all we are pleased with the way it is working.

LAW ENFORCEMENT IMPROVEMENTS

I turn now to several of the enforcement improvements. As you know, Mr. Chairman and members of the committee, the bill is an enforcement bill, the Immigration Bill, the employer sanctions being a key part. The investigative positions we asked for are a key to enforce the employer sanctions.

Another aspect that the Congress mandated, and we welcome, is more attention to criminal aliens, more efforts to investigate and deport those involved in crimes, particularly narcotics related, so there is money in there and positions to deal with these.

When we are talking about employer sanctions, we concentrate as much as we can, and we think appropriately, in working with the employer community, the labor community and others to obtain voluntary compliance.

We are not interested in penalizing people unless we have to. We want people to comply. We want them to hire American citizens and legal aliens. That is what the thrust of the law is. We think there are economic, social and moral reasons as well as the legal ones. We are working and will work very hard with the entire community in those areas, but of course will enforce the sanctions provisions, particularly against those more blatant violators.

We did create the new Office of Employer and Labor Relations, which I think will emphasize the point I just mentioned of a cooperative approach there.

We testified at length about expansion of the Border Patrol at a hearing last week. That recruitment is going on.

We think that we are achieving the mandate of Congress, to increase the Border Patrol by 50 percent. The positions are there, and the dollars are there for maybe a 39 percent increase, which is about the phase-in that we think is appropriate for the time involved. That is going forward.

There will also be additional equipment and other facilities. We think the Border Patrol, with the Interior Enforcement program, SAVE which will keep the illegal aliens from getting benefits to which they are not entitled and dealing with the criminal issue, which I mentioned, is the proper balance in the enforcement area that will allow us to do the best job we can.

We have talked about additional inspectors at our ports of entry at both airports, land border ports, and seaports. The user fee that I mentioned, the $74 million, will fund substantially increased posi-

tions at the airports and seaports. Since that comes from the airlines, it covers those areas.

That will give us the ability to facilitate people coming through as well as do better inspections, and hopefully deter more of the illegal entrants. We certainly have substantial illegal entrants coming through our airports as well as our land borders.

In addition, at the land border, some of the positions there which we have talked about, I think will help us do a more effective job.

We have improved in the anti-smuggling area. We will be expediting the deportation of criminal aliens. I certainly don't want in any way to give the impression that all illegal aliens are involved in crime, not so at all. But there are substantial criminal activities by groups of illegal aliens, and particularly some of the organized crime rings. We are now a formal member of the Organized Crime Drug Enforcement Task Force.

DRUG OPERATIONS

We are as you know, a lead agency in the narcotics area. We have the lead role in Operation Alliance on the Southwest border now, and have been responsible for the largest percent of the drug seizures. We are there. Our people are there. We know the border. We know the territory and the language and we are very effective in both interdicting illegal aliens and illegal narcotics.

SAVE PROGRAM

As I mentioned, the SAVE program is a very significant part of this legislation. We have run this program on a voluntary basis and I think we have 16 or 17 States participating.

We believe we have saved well over $100 million and identified about 50,000 ineligible aliens. That is just scratching the surface. If we can get this program implemented in all the States and in all the benefit programs, not only will it help our immigration enforcement, but it will certainly save the country hundreds of millions of dollars and carry out the laws as they are meant to be carried out.

VARIOUS LEGISLATIVE PROGRAMS

We do have, as you know, Mr. Chairman, the agricultural worker programs, the SAW programs. Again, as I mentioned, the fees are the same, $185, with the family cap of $420. It is important that an applicant for this program especially produce the evidence of eligibility because of the short timeframe, the 90-day period. We have set out procedures in our regulations to cover that.

We believe we could have as many as 800,000 applicants under that program. We don't know, of course, but that could well be.

In addition, the H-2 program is part of the legislation. It is another vehicle to assist the growers as well as others in getting temporary agricultural help. That program, which has the lead by Departments of Labor and Agriculture, is to provide a temporary work force as necessary.

OVERSEAS PRE-INSPECTION

Several of the other areas that we are talking about funding are in the inspections area. We have had, as you know, Mr. Chairman,

pre-inspection in Canada for a number of years. It has worked extremely well.

Last year we had the first overseas pre-inspection in Spain and Ireland. It is appropriate on St. Patrick's Day to talk about that. That worked exceedingly well. The Irish Government is very supportive. All indications are that it worked well. The Irish want to reinstate it, effective in June, on a permanent basis, as we do.

We have talked to many other countries in Europe, South America, and Asia about the possibility of similar programs where people are inspected at that end. This can avoid a lot of delays at our incoming airports, and obviously also can screen out ineligible travelers before they get here and cause the problems once they are here of trying to get them out. That is going forward.

With the user fee we will be able to improve our information systems. Our whole data processing to cover the detention and deportation services for those people who do come in illegally, improve our debt recovery on finance, and so forth. We think that will work very well.

ACCOMPLISHMENTS

Just a few other things, Mr. Chairman, not to take too much time, on reviewing a few of our program accomplishments. I will just cite a few.

The volume of inspections, I think, surprises people. Last year we inspected 328 million persons, both returning citizens and aliens coming in. That is almost one-and-a-half times our population. Out of that, 720,000 inadmissible aliens were intercepted and denied entry. That was a 12 percent increase over 1985.

In fraudulent documents, there was a 76 percent increase in the detection of fraudulent documents last year; a 70 percent increase in vehicles seized, a 39 percent increase in drug seizure cases made by immigration inspectors in addition, of course, to the Border Patrol. On Border Patrol, there were nearly 1.7 million apprehensions at the border, and 19,000 alien smugglers were arrested. This was up 5,000 or a 20 percent increase.

As indicated, in drug smuggler interdictions, I think our record has been outstanding. Last year in the Border Patrol, there were 1,300 seizures of drugs—I am talking about fiscal year 1986—valued at over $185 million.

It is interesting, in the first quarter of 1987, we have already seized $95 million, almost half of what we did over all of last year. That figure will go up.

As I said, we have a very significant lead role in Operation Alliance. We think that has been a very good program, a good start, and one that will bear much more fruit downstream.

We had marriage fraud legislation, as you know, enacted last year that has worked well. It is just beginning. We are dealing more with the vendors of counterfeit documents and the sham marriage issues, and we expect that to expand over last year.

In the Detention and Deportation program, last year we detained over 137,000 aliens, a total of almost 1.5 million detention days. Again, these are significant numbers when you look at the tremendous numbers we are dealing with.

In adjudications, we adjudicated over 2.2 million cases, and again we are very proud of it. Our inspectors at the ports of entry, when they have down time between flights for example, are working in the office adjudicating cases. We think that is a good use of time.

We have made significant progress in our data systems. This has been an important area for the volume we deal with. We think we made very good progress, and that is certainly essential as we go forward in implementing the immigration bill.

RELATIONS WITH MEXICO

In Mexico we have had, I think, good relations. We have met with the Mexican officials. I was in Mexico in December, met with President de la Madrid and other top members of the cabinet and our ambassador, (at our invitation) to assure them that we do not anticipate mass deportations. There will be impacts, but we are satisfied those will be gradual and orderly. We believe it is in everybody's interest downstream to have a legal system and not the current illegal system.

We are working with Mexico. We have set up a new position on the border to coordinate border issues, particularly border violence to be sure we cut that down. In the mutual interest of both countries we are working to deal with the other issues on the border. We are working, we think, well with the Mexicans on some tough areas for them in difficult economic times.

Mr. Chairman, in conclusion, this budget before you today is the largest ever submitted by INS. We have had excellent cooperation throughout with the Administration and Congress. We believe that this budget request is necessary to carry out the Immigration Reform and Control Act.

We thank you for the opportunity to be before you, and will be pleased to respond to your questions.

LEGAL OPINION ON FEE STRUCTURE

Mr. SMITH. This fee that you set yesterday or announced yesterday, do you feel that you are directed by Congress to set it within certain parameters and that the fee you have set is required by law?

Mr. NELSON. That is correct, Mr. Chairman.

Mr. SMITH. Do you have a legal opinion on that?

Mr. NELSON. Well, I have the statute and I think that is pretty good legal opinion here.

Mr. SMITH. But you didn't have it reviewed in the Department?

Mr. NELSON. I don't recall whether we had a formal legal opinion or not.

Mr. SMITH. If you did, put that in the record.

Mr. NELSON. We will do that.

Mr. SMITH. Then put in the record also the statute you rely on, and any supporting evidence that you used to establish the amount of the fee.

Mr. NELSON. We will do that.

[The information follows:]

STATUTE AND LEGAL OPINION ON FEES

The Immigration and Naturalization Service did not prepare a legal opinion or request one from the Department. The Immigration Reform and Control Act of 1986 is very clear regarding the collection and use of fees. In Section 201(c)(7)(A) the Act states "The Attorney General shall provide for a schedule of fees to be charged for the filing of applications for adjustment. . . ." "Section 201(c)(7)(B) requires the Attorney General to deposit fees collected". . . in a separate account and amounts in such account shall be available, without fiscal year limitation, to cover administrative and other expenses incurred in connection with the review of applications filed. . . ."

In view of the explicit nature of these sections of the Reform Act, we do not feel that a formal legal opinion regarding the collection and use of fees is necessary.

FEE STRUCTURE

Mr. SMITH. Do you have any indication that your fee structure will exclude anyone because they won't have the money?

Mr. NELSON. We do not, Mr. Chairman. First, as you know, the law is clear too, that people are not eligible if they are a public charge, and $185 is certainly not very high considering the tremendous benefit they are achieving.

As I say, it is the same fee that a legal immigrant pays willingly. Most of the people are employed. Most, of course, have cars, TVs and other amenities, so that $185 is hardly going to be discouraging for the benefit.

If it happens to be, it would almost be a matter of logic, we believe, that it would put them probably in the public charge category and they wouldn't be eligible in any event.

Mr. SMITH. Mr. Kolbe, do you have a few questions?

Mr. KOLBE. I have a few questions. I'll make this brief. Thank you, Mr. Chairman. And thank you, Mr. Nelson.

I wanted to follow up on the Chairman's comments about the legislation fees. The section of the law says that "the Attorney General shall deposit payments received under this paragraph under separate accounts and amounts and such accounts shall be available without fiscal year limitation to cover administrative and other expenses covered under applications filed under this section."

You propose a legalization fee of $185 per individual with a cap of $240, I think it is?

Mr. NELSON. Four hundred and twenty dollars.

Mr. KOLBE. And the revised statement now is that only two million people will be processed under this, is that correct?

Mr. NELSON. Again, Mr. Kolbe, these estimates are difficult. Our planning estimates are that as many as 3.9 million would come forward, so we are gearing up our offices to handle that number, but our estimate is, at this point, about two million.

Mr. KOLBE. I realize the law on the one hand says it has got to cover the cost and on the other hand it says it should be comparable. The proposed regulations, regarding verification of continuous residency in the country are going to imply a great deal of deeper investigation than is now conducted. Isn't that going to mean much higher investigation costs? Are these fees really and truly, are these costs going to cover the expense?

Mr. NELSON. In our best estimate, they will. We are opening up new offices and, of course, there is the cost of acquiring offices, the personnel I mentioned, the additional investigations. In addition,

some of the money is reimbursed to the FBI for performing fingerprint checks.

Some goes to State or local governments for checks on public charges and so forth; a small fee, $15 goes to the qualified agencies who help people, so there is a certain outlay there. Our projection of our overall costs indicates that the $185 fee will cover that, if we process two million applicants. This is our best estimate.

If more applicants come forward, we could actually have a surplus. As we indicate, if we do have a surplus, that could be applied to the permanent residence phase.

If we happen to run short, then of course we would have to seek a supplemental appropriations request, but our best estimate is that with two million applicants, we should be able to cover our costs. We think our estimates are accurate.

Mr. KOLBE. That is what I am trying to get at in terms of identifying whether these fees will be sufficient. Given the additional investigations that are going to be required, if the current fee for legal immigration is an accurate fee, and covers what really are the expenses to INS, then how do we reconcile that with what appears to be greater investigations and presumably expenses that are going to be involved in the legalization program?

Mr. NELSON. I think, again, Mr. Kolbe, volume is a relevant factor. If we receive two million or so applications with that volume, you can centralize a lot of your efforts. It is true there will be more investigations, but we have charted out what we think appropriate.

The other fee for the legal immigrant, of course, is combined. Most of that goes to the State Department, because that is a visa fee for overseas, and a small part goes to us.

There is activity there, too, but all I can say is that our estimate is based on our total anticipated costs. This fee is just about on target. We do not want to try to charge too much on the one hand.

We have gotten a lot of flack, as you know, from people saying we are charging too much. We think we are as close as we can get based on the overall cost estimates as well as the appropriate level and the comparability factor.

NEW REGULATIONS

Mr. KOLBE. Let me ask you a couple of questions about your new regulations, which I haven't had a chance to read in detail, but I saw them in the draft form.

As I understand it, you are going to require no more than 45 days of absence from the country during a period in the aggregate of 180 days since 1982?

Mr. NELSON. Correct.

Mr. KOLBE. And no absences since the date of enactment of this legislation?

Continuous residence is going to be awfully tough to prove to an investigator. How do you intend to go about doing that?

Mr. NELSON. There are a lot of areas that are difficult to prove here, but I think the basic thrust is that it is up to the applicant to prove his or her continuous residence. We recognize these absences are probably a little tougher than some other aspects of it. If appli-

cants for example, have been employed and there are some significant gaps in their employment, then it would be up to them to give proper evidence to explain that. That would be one aspect.

Mr. KOLBE. Lots of employment, as you know, is done on a cash basis. It is going to be very hard to find records on this kind of thing.

Mr. NELSON. Again, the burden is on the applicant. We think, of course, we are going to be reasonable, but they must have the burden of proving their employment, their continuous residence and the other factors.

Mr. KOLBE. I assure you if the burden is on the applicant, you could act quite reasonably within the basis of this law and turn down virtually every applicant. I don't think you are going to be able to find the documentation. I would think it is going to be the toughest aspect of your whole job trying to prove their continous residency.

Can you give me some indication of how those periods were picked, 145 and 180 days aggregate? Is it just kind of a compromise? How do we decide that this constitutes continuous residence?

Mr. NELSON. Let me make a run at it. Maybe others can elaborate.

Certainly in the statute and in the Congressional history there was, you might say, the direction that limited absences would not prevent qualification. That Congressional direction was clear. Then it is merely a matter of trying to determine what is reasonable.

Initially, in the draft we came out with in January, we picked 30 days and 150. There were a lot of comments coming in. Of course, a lot wanted six months, so we made some adjustments to go from 30 to 45 and from 150 to 180, thinking that that was reasonable, with the idea that if somebody was out of the country for, in this case, 45 days, that that would not necessarily disqualify them. Again, it was trying to balance both the practical aspects of it, what made sense.

ANTICIPATION OF LITIGATION

Mr. KOLBE. Do you expect litigation on this point?

Mr. NELSON. It is probably fair to say we will have litigation on a lot of points, but we are ready for it.

Mr. KOLBE. Have you included litigation in your budget estimates?

Mr. NELSON. Yes, we do have substantial increase in the number of legal positions as well as immigration judges which will be funded through another appropriation within the Justice Department's budget.

QUALIFICATIONS OF QUALIFIED DESIGNATED AGENCIES

Mr. KOLBE. I have one last area of questions, Mr. Chairman. Again I appreciate your allowing me to go ahead of others.

I am interested in the role of the qualified designated agency, such as the Catholic Diocese Church, support groups, different groups that are going to be doing the initial screening.

How does a group become officially qualified? How do you select them?

Mr. NELSON. Mr. Kolbe, we put out within the last week or so a proposed form of agreement or contract, if you will, that had been distributed to all of the people that are interested, and we have several meetings with them. We set forth some very specific requirements. We would be happy, if we haven't already, to provide it for the Committee.

It sets forth what their duties are, what ours are, and what fees they can charge. They will be charging for their services. I think that is appropriate as long as it is kept within certain limits.

We will reimburse them $15 per application that they submit to us. They have helped us in that regard, but again, it provides what they must do and what they can not do.

IMMIGRATION FEE STRUCTURE

Mr. KOLBE. Is the application and the $15 charge, is that an application for an individual or can it be for a family?

Mr. NELSON. That would be an individual application. Now, if we end up with a family package—but I think we would probably pay them the $15.

Mr. EVERSON. That would be a reimbursement for each individual.

Mr. KOLBE. Each individual, if there are five in a family, it would be five times $15 or $75?

Mr. NELSON. If we got over the $420 cap, I am sure we wouldn't pay them the $15 in that case, but for all intensive purposes, $15 per applicant.

Mr. KOLBE. I have heard from some of these agencies that this fee, this reimbursement is not even going to touch the real costs. Have you been hearing that? I realize that the investigation is very limited.

Mr. NELSON. But they are talking about charging on their own up to $75.

Mr. KOLBE. They will be permitted to charge?

Mr. NELSON. They can charge on their own. As far as we are concerned, $75 is the maximum they can charge in addition to $25 for reimbursement for photographs, fingerprints and that. They can charge an applicant up to $100 and in addition, they get $15 a person, so these groups are not going to be hurting financially from this program.

Mr. EVERSON. I might add one thing: We have distributed over 1,200 applications to interested parties in connection with the program, and they can continue to apply until April 10, 1987.

Mr. KOLBE. To serve as an agency?

Mr. EVERSON. To serve as——

ORGANIZATION INVOLVEMENT

Mr. KOLBE. Are you going to do it on a national basis? Are some going to be just local?

Mr. NELSON. Yes, clearly, like the Catholic Church will be deeply involved, the Catholic Conference will be involved, and they have sort of an umbrella, national organization. Lutherans would be another example, American Council of Nationality Service and so forth, a nationwide structure. But local agencies can do it, and it is

not just voluntary. Church groups, labor organizations, employer groups, growers associations and others can also qualify.

Mr. KOLBE. Will they get up-front monies to set up their programs?

Mr. NELSON. Well, not up front in the sense of any grants. We will advance some money to them, limited amounts to get started.

Mr. KOLBE. And that will be a draw basically on the applications that they process?

Mr. NELSON. Correct.

Mr. KOLBE. What kind of information or training are you going to do?

Mr. NELSON. Through our outreach people, we have had a series of meetings. Those will be continuing. We are developing a specific training package. We will train the trainers, so to speak. They in turn will follow up on that. That is under way already.

Mr. KOLBE. Thank you very much, Mr. Chairman.

NUMBER OF LEGALIZATION APPLICANTS

Mr. DWYER. Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

You said you expect around two million applicants?

Mr. NELSON. That is our best estimate, Mr. Rogers, again in a difficult area.

Mr. ROGERS. Is that just adults or is that the entire number of people?

Mr. NELSON. Again we don't break it down. It is hard to know, Mr. Rogers, how many children are involved here. Mostly they are going to be adults, we believe. In rough estimates, we are talking most of those being adults.

Mr. ROGERS. You are talking about the entire group of people, children included?

Mr. NELSON. Yes, but again that is a very, very general estimate, so we haven't tried to make a breakdown, just because there is no way of doing it. As I say, we plan on the basis of almost twice that many.

We think that two million applicants is a reasonable target. Probably half the people say we are going to be low and half say we are going to be high.

Many outside groups seem to think there will be more than two million. As you know, other countries that have had a legalization program have almost traditionally had the experience of fewer coming forward than anticipated. All indications here have been that many will come forward. In Los Angeles, for example, which I think will probably be the heaviest area, there have been indications already that up to 800,000 potential applicants are lined up.

Mr. EVERSON. This ought to put to rest the issue of a 1987 supplemental on legalization. Nationwide we already feel there are one million people out there who are more or less queued up.

In Los Angeles alone, our district director told me last week they have over 300,000 names and addresses of people who have been in touch with these various entities, and are on record as already intending to come forward. By just canvassing some of these larger offices, we came up with about one million people who are pretty

firmly identified and would certainly carry the program through those early months of 1987.

CAP ON FAMILY LEGALIZATION FEES

Mr. ROGERS. From what you know now, from those people who are queued up or you have information on, what is the average of size the family that would be admitted?

Mr. EVERSON. It is hard to say, but I think to buttress what the Commissioner is saying, the indication is that most of the people will be principals.

You have to remember many children have been born subsequent to arrival here. They are citizens. If somebody is going to qualify under this program as having been here since 1982, he or she may have children born here who are already citizens. There doesn't seem to be as many children as one might have thought earlier based on the discussions we have had.

Mr. ROGERS. What I am driving at is the proposal for schedule calls for $185 per adult, and the cap of $420 a family; $420 a family would be two adults and one child obviously. You are assuming that the family unit would consist of three people, the mother, father and one child under 18; is that correct?

Mr. NELSON. Right, for the cap.

Mr. EVERSON. I don't think that we are assuming that the family unit will be three or four. We are just saying we are going to stop charging at three.

Mr. NELSON. And of course a lot, too, Mr. Rogers, are single-parent families. In that case you would get four or five children paying the $50 each before you would reach the $420.

Mr. ROGERS. Suppose there was a mother, father, one minor child and one 21-year-old child, what is the charge?

Mr. NELSON. We are talking about the cap relating only to children under 18 in the home, so if they are either over 18 or outside of the home, they would be adults and would pay $185.

Mr. ROGERS. The cap would not include them?

Mr. NELSON. That is correct.

FEES FOR LEGAL APPLICANTS

Mr. ROGERS. What is the charge again—I think we have heard this before—for a legal applicant for citizenship?

Mr. NELSON. That is also $185. I note you raised that question at the hearing on the 1987 supplemental last week. We think that is a significant factor, that the legal alien shouldn't pay more than the illegal alien in this case. We think that is a proper comparability and fairness factor. That is one reason we fixed on that fee.

We had obviously explored different fees in the range from $150 to $250.

Mr. ROGERS. And what is paid for a child under 18?

Mr. NELSON. My understanding is that there is not a discount factor on the legal immigrant fee,

Mr. ROGERS. The legal immigrant child would also pay $185?

Mr. NELSON. That is our understanding.

Mr. ROGERS. Not $50?

Mr. NELSON. That is correct.

Mr. ROGERS. Is there a family cap for legal applicants?

Mr. NELSON. Not to my understanding.

Mr. ROGERS. In effect, you are giving the break to the illegal immigrant here. The person who broke down the barriers to the country and came in illegally as opposed to the person who waited patiently for ten years. You are giving the violator of the law a break here, aren't you?

Mr. NELSON. In the sense of the cap, we certainly are giving them a break in terms of the cost. That is correct.

PERCEPTION ON INEQUITY OF LEGALIZATION FEES

Mr. ROGERS. What does that say to the rest of the world? Doesn't that say, to forget the laws, we are going to sneak in and get a better deal?

Mr. NELSON. We hope not. That is, of course, one reason we have set the overall fee.

As you might know, many of your colleagues attacked from the other side that this fee is outrageous and way too high. As we stated in our testimony, we think it not only meets the statutory direction for comparability but that it is fair and balanced.

I think the idea of the family cap, though, was a recognition that for a family unit, a cap is reasonable. As indicated, we don't expect to have a lot coming in under the cap because of either single-parent families or applicants not having children at all.

Mr. ROGERS. If I were a person determined to get into the U.S. and I had been on the waiting list five years from some other country other than from our southern border, where most of these illegal immigrants are coming from, I would say, to heck with the American laws; I am going to go to Mexico and I am going to sneak across. Or I am going to find a way to get around this thing, because there is a better deal. The way to get into the U.S. is to violate the laws and they will give you a reward.

That is just the way this thing smells to me. Obviously you don't think so, because you said it the other way, but I just wanted to register that.

Mr. NELSON. I appreciate your opinion.

Mr. ROGERS. I suspect there are going to be a lot of people in Congress and outside that feel exactly the same way. I am a little bit irritated by it—more than a little bit. I just think it is rewarding the violators of the law.

You are saying the way to get by in this country even as you come in the gates, is by illegal actions.

Mr. NELSON. I appreciate, Mr. Rogers, your comments and there is certainly strong backing for that. I would say the whole thrust of this immigration law is to avoid the problem you just addressed.

If we can get the appropriation we request here to enhance the Border Patrol, enhance interior enforcement, keep illegals off of benefits to which they are not entitled, identify and remove criminal aliens from the United States plus improve inspections, we can accomplish what you want and what we all want, which is to cut down the illegal flow into this country and regain control of our borders.

I think the legalization fees are balanced. I think we have to recognize that, as you know, the debate in Congress was very emotional and heated.

I think another thing, in our defense, is that we have to try to follow the guidelines of Congress also in saying that the fee should cover the cost of the program. That really wouldn't authorize us to try to gain more than the cost. We think that is another factor.

Mr. ROGERS. Also, have you considered the part of the law affirming that the guidelines for setting the fee should be consistent with what we charge legal applicants?

Mr. NELSON. Yes.

Mr. ROGERS. Do you agree that there has been a prejudice here in favor of the illegal applicant in the rates for a child application and the family unit that doesn't exist for legal applicants?

Mr. NELSON. You used the word "prejudice." I maybe would use the word "benefit." Yes, there is some benefit to the illegal alien family group. For the individual, no benefit.

We don't think there are going to be all that many family groups. We think there is an equity factor, that needs to be balanced with the statutory mandate to cover the cost of the program. The flip side of that is that we certainly should not be charging more than the cost of operating the program.

There are several somewhat competing rationales. We had to do a balancing act. We think it is proper.

Mr. ROGERS. Does it not violate, though, that guideline that applicants for illegal aliens should be the same as legal aliens? There is a difference, isn't there?

Mr. NELSON. There is no special guideline for the charge. It was our decision that we ought to charge a comparable fee for legal and illegal aliens.

The legislative history basically, indicates that we should charge comparable fees. There are other fees that are in the low one hundred dollars, for example, so I think we did a fair job and I think it is a balanced one that we feel is proper.

APPLICANT SCREENING

Mr. ROGERS. What kind of enforcement can we expect, that is in terms of screening of applicants, to be sure that we are not getting some people coming in in violation of the time required to be here before the expiration? What kind of screening are we going to get to be sure we don't get a double illegal, that is a person who is here illegally and then illegally states his or her tenure?

Mr. NELSON. The procedures, of course, will include a fairly thorough application to be filled out with the payment of the fee. It is up to the alien to have the back-up documentation that would verify his or her status, and that that can be checked.

We will routinely run fingerprint checks and criminal record checks. We will make contact with state and local agencies regarding the public charge issue.

Each person will be interviewed. There will be appropriate follow-up checks. We will be as thorough as we can.

Obviously, if somebody is guilty in our mind of using fraudulent documents, there are provisions to penalize them. They will be in-

eligible for legalization. They are also subject to other penalties, which we will pursue.

Mr. ROGERS. I understand that the presses are already running?

Mr. NELSON. I am sure they are.

Mr. ROGERS. It is going to take some pretty tough investigative techniques. You are dealing with, you say, upward of two million people here, and you are already understaffed in terms of personnel.

I am just not very satisfied we are going to get a really good screening of the people who are applying to become citizens of this country who came in here illegally.

Mr. NELSON. Our intention is to do just that. If we can get the approval of Congress for the requested appropriation, we think we have the investigative positions, the intelligence positions and the inspections positions that will allow us to do just that.

Mr. ROGERS. Here is one member who is going to be keeping a real close eye on you.

Mr. NELSON. Very good. We welcome it.

Mr. ROGERS. I hope to see that you dot every "i" and cross every "t" three times.

Mr. NELSON. We welcome that, sir.

DETROIT STAFFING

Mr. DWYER. Mr. Carr?

Mr. CARR. Thank you, Mr. Chairman.

Mr. Commissioner, I have a few questions that zero in on Detroit. Have you got somebody there with a book who can tell me the number of positions currently at Detroit?

Mr. NELSON. I don't have that with me, Mr. Carr. I don't know if our other staff do or not. We will happily provide it to you. We have a district office, as you know, in Detroit that covers all of Michigan.

Mr. CARR. I am most interested in the inspector slots that you have there. I am told, and this is just a ball park figure, that for the tunnels and the bridges there you have about 30 inspectors. Some of my information may be a bit outdated, but I am also told that you have no permanent inspectors at the airport.

That probably was a good way to operate for a long time, because the international flights out of Detroit, the non-stop internationals, were pretty limited, but now with the merger of Northwest Airlines and Republic Airlines, the fact that both airlines have hubs at Detroit and now are in the process of creating a huge hub, in fact while the new Northwest Airlines is headquartered in Minneapolis, the largest hub in this system is now Detroit.

I am told that they are going to be commencing, on April 17, non-stop Detroit-Tokyo Service three times a week, and starting June 1st there is going to be daily flights to Tokyo. In addition, I believe they are commencing Frankfurt operations out of Detroit. I think we need some permanent slots at Detroit metro international terminal.

Can you tell me anything about what is going on up there?

Mr. NELSON. Let me speak generally, if I may, because I don't have the breakdown of positions in Detroit or any other location as

indicated, we will be pleased to provide those to you. Speaking of the airport first, we use both permanent and temporary inspectors. I think this is a proper use of manpower, because obviously you do get summer peaks and other times when you can use additional staff at other times we don't need them so much.

That is a good way of using your dollars and your resources. I would be very surprised if it is correct that we have no permanent positions at the airport.

Mr. CARR. You may now. We are shooting at a moving target here. A few months ago, I was told that whenever an international flight came into Detroit, they were borrowing people off of the bridge and the tunnel.

Mr. NELSON. We will have to check that.

Mr. CARR. You may have recently moved some permanent slots to metro, but we are going to have a big log jam there if we don't do something.

Mr. NELSON. Normally we, of course, have a balance of permanent and temporary staff in our supervisory levels, and so forth where there are permanent people. Another aspect, Mr. Carr, that you touched on, is that with this user fee and the funds we expect it to generate, we will be enhancing our inspections at airports nationwide. I don't know, again, what the breakdown is regarding Detroit, but I am sure there will be additional positions coming there as there are to almost all major international airports.

The bridge and tunnel issue has always been a difficult one. Again, we have, as we have been able to, added staff there to deal with the issue. I know I have had extensive discussion with Senator Levin and others in the past. Overall, I know there can be some problems, but I think we are doing the best we can. Again, hopefully, although there could well be some additional positions funded through the user fee receipts.

Mr. CARR. I would like you to give us a breakdown for the record, and perhaps you and I can agree to meet later to discuss the adequacies of the staffing out there. I don't want any delays occasioned by the Federal Government for an already very congested airport that is suffering under the strain of this huge growth that it has undergone in the last six months with this merger, and the commitment of Northwest Airlines, and I think that we are probably lagging there. I want to make sure that we have enough inspectors to handle the job.

If you could supply that for the record, I would appreciate it.

Mr. NELSON. We will be pleased to do that.

[The information follows:]

INS INSPECTOR STAFF AT THE DETROIT AIRPORT

The INS inspector staff at Detroit currently is comprised of forty-five full-time permanent officers and twenty part-time temporary employees. Six of the forty-five permanent positions were recently assigned to Detroit, under the Inspectors user fee provision, to perform air inspection work in anticipation of expansion in the international inspection activity in Detroit.

INFORMATION SYSTEMS TECHNOLOGY

Mr. CARR. Last year the computer upgrade contract known as hardware acquisition II was a subject of concern for us here. In

view of the importance of this, has the service neglected a rate ceiling with regard to the GSA price list on this contract?

Mr. NELSON. I will let Mr. Everson respond.

Mr. EVERSON. As you probably remember, in 1986 the Service was precluded from purchasing any additional equipment under that contract. We concurrently went outside to FEDSIM, which is a study group associated with GSA to do a long-term look at our architectural needs Service-wide. Those studies have just recently been completed, and we are in the process of assessing options on how we would go in terms of the long-term computer configuration for the Service. But even in fiscal year 1987, we have made no purchases under that act to the contract you referred to.

We have appointed a new Associate Commissioner for Information Systems after a long and extensive search. We think we are making real progress in this area. The instructions are, in the words of Mr. Rogers, to dot the I's and cross the T's three times in that area in particular.

Mr. CARR. When do you expect hardware delivery?

Mr. EVERSON. We are going to be getting hardware now under separate procurements in connection with the legalization offices. We are going to be getting a large number of personal computers. We are going to have some machines in regional processing facilities. But the Service-wide big acquisition, if we go in that direction, (1) and there are some questions based on the Federal system study, whether we should go out with some grandiose scheme, perhaps better to go just on individual targeted areas (1) that will follow on, I would say in fiscal year 1988, by the time you would see any real acquisitions taking place.

HARDWARE ACQUISITION FORECAST FOR 1989

Mr. CARR. So you are anticipating a request for fiscal year 1989 for some hardware?

Mr. EVERSON. We have an ongoing budget in the information systems area. It has now been supplemented to some degree through this user fee account. One of the things we are going to be doing is upgrading our ability at the airports through that user fee, the monies that are available that way. I think it is too early to say whether there will be a big blip, if you will, in 1989, solely because of hardware.

Mr. CARR. Whatever you can do to keep us informed to forecast these things. We intend to roll along with studies here, there and everywhere. If we can have advance notice, it helps our committee to understand the numbers.

Mr. EVERSON. I understand.

Mr. CARR. Do you have any idea what a supposed hardware acquisition contract would mean in terms of reducing the number of positions, say, for border patrol?

Mr. EVERSON. I don't think you would see an impact on the Border Patrol, per se. We follow a strategy of trying to localize as many of the systems as we can. We have something called CADRE, which is a system that runs off of PC's. It is a sensor system. The drug seizures that the Commissioner mentioned earlier were in large part a result of sensors being tripped down along the border.

We then radio deploy agents who determine in these instances that there were criminals going across. But you are not necessarily talking about a big, huge sensor system. These are localized systems. They don't run off of main frames. Sure we will be going out with a need to improve all our technology. That is one of the things the Commissioner stressed to me. The Attorney General said we need to be increasing the people, for the hands-on work, but trying to upgrade the sensors in the other technical areas, too, to limit that personnel increase.

Mr. CARR. I understand that hardware acquisition to contract did include some sensor monitoring equipment.

Mr. EVERSON. I think we have some of that put in place. I have seen some out along the border, but as we say, a lot of that acquisition was stopped in its tracks.

A-76 EVALUATIONS

Mr. CARR. In view of the past management of information processing in the Service, have you performed an A-76 evaluation for contracting for your data processing operation?

Mr. EVERSON. We look at every application, particularly with these new programs to determine whether we can contract out. We followed such a strategy in relation to legalization program. In this program we are going to have 100 plus offices that will receive applications, and then interviews will take place. The applications, for instance, will be forwarded first to a data entry center, which will be a contract facility at this facility all the keying will be done by a contractor. The applications will then be sent to a regional processing facility. There will be one facility in each of our four geographic regions paralleling what we have done with regional service centers, to date, to process some of our existing applications. A combination of officers and contract personnel will be working there.

At every turn we are trying to use contractors in these new programs. When you are building something new, it is sometimes easier to bring the contractor in right up front than it is to make a change elsewhere.

Mr. CARR. Thank you.

INSPECTIONS PROCESSES

Mr. SMITH. I want to ask you about something I have had on my mind for several years. If one is coming from Europe to Dulles and the plane touches down at Boston first, as quite a number of flights do, what are the requirements for the showing of papers and so forth in Boston?

Mr. NELSON. Let me answer and others can correct me.

Normally the inspection takes place at the first location flights enter the United States. I believe that is the normal situation. If you are a returning citizen or an alien, you go through the inspection line, both for immigration and for Customs, and show the appropriate documentation.

The immigration inspector reviews it, determines whether it appears to be valid. If aliens have the appropriate visas they are then admitted.

Mr. SMITH. They would go through Customs also in Boston?

Mr. NELSON. Yes, normally that is the case. If they are transiting through without getting off the plane, they might not, but normally they would be inspected at their first location.

ON PLANE INSPECTION SUGGESTION

Mr. SMITH. This is a little experience I had and 40 other people had in Boston that has always stuck in my mind, our final destination was Dulles. It was raining. There was a woman with two or three children, there were three or four elderly and disabled people. They made everybody get off the plane that was coming to Dulles and go into the airport where an official sat there at a desk and made them line up, showing their papers, and then go back through the rain to get on the plane. I have never seen a worse case of public relations in my life. Is that required?

Mr. NELSON. It is hard to say from your example. Most of the international flights arrive at the end destination, where people are getting off.

Mr. SMITH. Why do they have to get out? Couldn't they go up the aisle?

Mr. NELSON. Again, it is hard to give a reason in some cases on that. Normally, of course, people are getting off and are leaving. Let me come back on your question. If that leg from Boston to Washington is a domestic flight, at Dulles they wouldn't be alert to inspect those people. Someone who was an illegal alien in that circumstance might stay on the plane and never be inspected.

Mr. SMITH. But if they went up the aisle and asked for papers, if somebody didn't have proper papers they could take that person off.

Mr. NELSON. The airlines might want to comment on this one, too. Again, in the normal situation people are getting off in any event. Obviously it is much easier to inspect off the plane than on board.

INSPECTION OF LUGGAGE

Mr. SMITH. Is it a normal situation to stop in Boston on the way to Dulles in a lot of these flights?

Mr. EVERSON. We are on the line jointly with the Customs people in many instances. They are obviously looking for some different things, but if you haven't left the plane, you don't have your luggage. Clearly operationally, at least, it is easier to have everybody go through the one place. As the Commissioner is saying, on the flight down to Washington, you would have no idea whether somebody was a domestic passenger not subject to inspection or in fact had been on-board all the way from Europe.

Mr. SMITH. Their luggage isn't unloaded there anyway, so it is not going to make any difference to Customs.

Mr. EVERSON. You are saying that luggage doesn't get checked?

Mr. SMITH. No.

Mr. EVERSON. That is interesting.

Mr. SMITH. It is not unloaded in Boston.

Mr. NELSON. Let us look into that. I am not aware of that circumstance happening very often, because normally they would offload the luggage at the first point for inspection.

[The information follows:]

INSPECTIONS AT LOGAN AIRPORT REQUIRING DEPLANING

It is a matter of law that, on international flights arriving at a U.S. port of entry, all passengers aboard the arriving flight must deplane and be inspected for admission to the United States. In these cases, the flight is considered domestic from that point forth, and this is usually arranged in advance because many domestic airports do not have federal inspection facilities. When the onward airport is equipped to handle international arrivals, the carrier may request that those passengers continuing on be cleared at the second stop in the United States. (This is called "Progressive Clearance".)

Absent the carrier's request and Federal approval, all passengers must be inspected at the first U.S. port of arrival.

COURTESY AND PUBLIC RELATIONS

Mr. SMITH. It is the kind of thing that should never happen. I could tell by looking, in fact I talked to them about it. The official was about three years from retirement. He was at the point where he thought he owned the place and he was doing them a favor to sit there and look at their documents.

Mr. NELSON. That might have been a Customs officer.

Mr. SMITH. Public relations is a part of your job.

Mr. NELSON. Absolutely, Mr. Chairman. One thing we just adopted this last year, which I think is appropriate given that it is the 100th anniversary of the Statue of Liberty, is a new arm patch. It is a chevron, which has the Statue of Liberty superimposed on a diagram of the U.S. Each of our four regions have stressed the courtesy and service aspects of our mission. We deal with 328 million people, as I said, coming in.

I think if you look at the record, even the number of allegations of discourteous behavior are pretty small. Obviously, those are the ones that get the attention. We are working this issue. We have made a real effort in the last number of years. I can say from my personal experience, having worked in State, private government and industry, that generally INS employees do a good job.

Mr. SMITH. I haven't seen very many cases of discourtesy, but it is important especially with this enlarged program.

Mr. NELSON. Absolutely.

Mr. SMITH. On the other hand, with Customs, I have seen very few planes unloaded, where there wasn't at least one discourteous employee handling Customs. But it is important, I think, that you make a conscious effort, to handle with courtesy all these matters under this enlarged responsibility.

Mr. NELSON. We are very aware of that, and we appreciate the inquiries from not only Congress, but from outside, because obviously it is important that we do. We are public representatives of the United States, and it is important that we do a good job. I'd like to address the issue of lines that you touched upon, if I could just digress a minute.

The present inspection program that has gone on for many years in Canada, and very successfully, was recently expanded to Ireland last year. That worked extremely well in cutting down the wait.

We hope to expand that program. I think that is not only a good service, but also a good security measure. We hope we can get more of those programs going.

Mr. SMITH. Why did you start in Ireland? Because they are so patient?

Mr. NELSON. They were interested in it. One of the issues we have had, of course, is a sovereignty question. People question how we can put American officials on their territory. I think the Irish recognized that this was a good program. It also enhances tourism, so they were willing to try it. It went as an experiment, once they tried it, they really liked it.

EMPLOYER SANCTIONS

Mr. SMITH. The employer sanctions provisions require you to survey employers. Have you established some kind of a priority list as to what employers will be surveyed first?

Mr. NELSON. Basically, Mr. Chairman, of course, the law covers all employers. All employers hiring any new employee must go through the process of filling out the form, and asking the questions. We think that is fair. As I think I mentioned, we will want to concentrate a great deal in working with employers.

Obviously, there are caseloads and man-power restraints. We are doing as much as we can with employer associations, labor unions and others to stress the positive aspect of this. As far as the enforcement side of that question, again we told all our people to be alert for the blatant violators, the pattern and practice types. Those are the ones that we will concentate our efforts on.

Mr. SMITH. Are there certain industries, or are there certain locations where you think they are more apt to have violations?

Mr. NELSON. Historically there have been certain industries that have been more dependent on illegal labor than others. Certainly the garment industry, construction, some agriculture, but it does cut across the board. I think a misconception of many people is that illegal aliens are all in the sun belt and so forth.

Certainly they are in large cities all over the country, and in many other areas there are illegal aliens.

Mr. SMITH. You are not going to limit it then, to certain areas?

Mr. NELSON. No, sir.

Mr. SMITH. Nor concentrate necessarily.

Mr. NELSON. No. Of course, again, we think it is our mandate to be fair and balanced and to cover the whole country. Obviously we will use our resources in the best way, and as we get indications of patterns, concentrate our enforcement efforts there.

REIMBURSEMENT OF STATE INCARCERATION COSTS OF ILLEGAL ALIEN FELONS

Mr. SMITH. Now, this legislation authorizes the Federal Government to reimburse states for their costs of incarceration of illegal aliens that are convicted of a felony. What kinds of resources are we talking about and what kind of problems do you anticipate?

Mr. NELSON. That provision is not funded in either the 1987 or 1988 budget other than some assistance relating to the Mariel Cubans. We are proceeding with a supplemental for that. We do

have approximately $39 million relating to criminal offenders, in terms of working with States and local governments for more prompt deportation there. There will be more efforts in investigations in that area.

There no resources requested for direct funding of detention costs for alien felons. I am hoping we can work out a lot of that by these other enforcement approaches.

Mr. SMITH. What kind of funding would that require?

Mr. NELSON. That is one of the questions and problems. I don't know the answer to that, Mr. Chairman, but it could be very, very, expensive.

Mr. SMITH. Do you have any estimate?

Mr. NELSON. I don't at this point.

Mr. EVERSON. It would be well in excess of $100 million at a very very low floor. It would be probably up in the hundreds of millions, the way it was written, which is very broad.

DEPORTATION OF ALIENS FROM AIRPORTS

Mr. SMITH. Any other questions?

Mr. DWYER. Yes, I would like to ask a question or two, Mr. Chairman. Your statement indicates you deported 720,000 illegal immigrants. I suppose most of those are interdicted on the southern border, but what happens when you catch someone coming off an airplane, say at JFK? Do they get right back on the next airplane?

Mr. NELSON. Mr. Dwyer, I think the 720,000 were people in that category that were intercepted at airports or at land borders, during the inspection process. In addition to that, of course there are about 1.7 million people that we apprehended coming across the border illegally.

Basically, yes, if we apprehend somebody at the airport trying to come in, and they don't have the proper papers, there are procedures with the airlines that they take them back to the country from whence they came. Sometimes they will turn around immediately.

Other times they might have to stay a night or so and then go back, but that is the normal procedure.

Mr. DWYER. The airline has to foot that expense.

Mr. NELSON. Correct.

Mr. DWYER. I guess on the premise that they should have examined documents before they put the person on board.

Mr. NELSON. Basically correct, yes.

Mr. DWYER. Where do you hold them? Do you hold them right at the airport?

Mr. NELSON. Usually at a hotel, unless there are security questions. Sometimes they will be put in detention facilities, but if they are not they would be at hotels, motels usually in the airport area.

Mr. DWYER. Seven hundred twenty thousand just at airports and seaports that fit into that category?

Mr. NELSON. That's correct, and of course many of them would voluntarily return. You don't have to detain them. You deny admission, and they recognize they cannot enter the U.S. So, they make arrangements and return.

Mr. DWYER. That is very costly to the airlines. You would think that they would be very, very sure.

Mr. NELSON. We work very closely with the airlines. I think this user fee ties into that. Again, that can cover some of the detention costs in addition to the inspectional services and others. We think it is a good concept, and I think overall the airlines agree with that.

Mr. DWYER. The important thing is that it is not costing us any money.

Mr. NELSON. Correct, yes.

SAVE PROGRAM

Mr. DWYER. You mentioned the SAVE Program, and that 16 States cooperate. Have you had difficulty in getting the other States to cooperate?

Mr. NELSON. It is like any marketing job. It takes time. We have done that in a matter of the last three years. We had three States involved initially— California, Illinois and Colorado. We have gone to 16 States. We have started a number of programs with New Jersey. Generally it takes a little time, but in fact we have gotten another 13 or 14 States on in a couple of years.

We think there has been good progress, and we are talking to several more, we would expect more to get involved.

Mr. DWYER. There may be some States that have very few illegal immigrants, I would think.

Mr. NELSON. Some States say that, and again we all know it is very difficult to estimate the numbers, but I think one thing we have learned is that there is probably no State that doesn't have some illegal population. The SAVE system is so simple because it merely says that if you are an alien and you apply for benefits, you get your status checked. If you are here legally you are entitled to the benefits for which you otherwise qualify.

If you are not here legally, normally you are not qualified unless it is emergency help. It is a very simple system, and easy to do. You can say it is a very nice program, but you don't need to worry about it because you have no illegals. We say if you have none, it will be a very simple thing to check, and it will have no impact.

We think it is a solid program and it makes good sense. It is clearly a welfare reform proposal. We are, of course, aware that Congress and the Administration are interested in significant welfare reform. The SAVE Program fits right into that category.

Mr. DWYER. One hundred million dollars is no small accomplishment.

Mr. NELSON. That's right.

RELIGIOUS ORDER VISA PROCEDURES

Mr. DWYER. What is the difference between the regulations concerning the immigration, a visa issuance rather, for a priest or a nun? I asked the question because I had some nuns in my district office a couple of weeks ago, who are members of the Order of Little Seruant Sisters. It is a Polish nursing order. They basically staff a long-term nursing home in my district, and also provide a

lot of home care for people who are restricted to their homes because of long-term illness.

It takes a long time for these people to get visas, and they tell me that it is a lot easier for a priest to get a visa. Is this true?

Mr. NELSON. I don't know that, Mr. Dwyer. I know we have certain categories for people in religious orders to enter the U.S. I also know that a number get processed through those special visa categories. Like many areas, of course, you hear of the cases where there seems to be some problem.

We will certainly look at it. I won't say there is automatically any special arrangement for a priest or a nun or anything like that. If they are clearly in a religious mode, it might be a little clearer that they are coming in under that category than if they are doing some other type of work. That could raise some questions, and that might be the reason.

Mr. DWYER. The inference was that there was a difference. This is what they stated, but they rotate some of these nuns who are at the long-term nursing unit for three, four or five years, and they may go to Africa or maybe back to Poland or maybe to Canada, but they will go to some other country, and they run into problems bringing the replacements in.

The visas become very, very necessary, because they have to be able to drive a car, especially with the responsibility for home care. I would like to get some information from someone.

Mr. NELSON. Let us get in touch with you.

Mr. DWYER. I appreciate that.

Mr. NELSON. I will be happy to do it.

Mr. DWYER. Thank you, Mr. Chairman.

[The information follows:]

TREATMENT OF RELIGIOUS PERSONNEL ENTERING THE UNITED STATES

Under the Immigration and Nationality Act no distinction is made in the requirements for admission—either as visitors or for permanent residence—of various members of religious orders. During routine inspections at U.S. ports of entry, there is no policy or procedure directive which would require the inspector to treat a nun differently from a priest or, in terms of nonimmigrant admissibility to the U.S., there is not directive that would compel the inspector to treat either nuns or priests differently than lay people.

TERRORIST ACTIVITIES

Mr. ROGERS. Just a couple of questions, Mr. Chairman. On page 15 of your justifications you refer to increases in the number of people suspected of having terrorist involvement, and I wonder if you might elaborate on the trend you are seeing in that respect.

Mr. NELSON. I might answer it generally, Mr. Rogers. First, obviously, we must all have a concern about terrorism. Certainly there have been threats that terrorist activities could be brought to the United States. We have worked closely with the other intelligence agencies and other enforcement agencies here in dealing with that.

In order to gain entry into the United States terrorists have to come into the country through airports or over land borders. We are, again, a major factor in trying to either deter them, trying to identify them and so forth. Largely, I think what I am relating to is the need for better coordination and intelligence exchange with the other investigative agencies, so we get the names and informa-

tion and we are alert to these problems. We have been successful in the past in apprehending and identifying either known or expected terrorists, largely in that area.

I don't have any figures or numbers. I don't know that those are even necessarily available for proper distribution externally. Clearly this is an area, as with the areas of narcotics, where there is an increased need for our participation. The Immigration Service is needed to work along with the other agencies involved.

Mr. ROGERS. And you started what is called the Alien Border Patrol Committee to coordinate anti-terrorist efforts with Customs, FBI and the intelligence community.

Mr. NELSON. That is correct. There are a number of subcommittees and working groups with all of the different agencies involved evaluating procedures. We are strictly in the early stages of planning.

SMUGGLING ACTIVITIES

Mr. ROGERS. And quickly switching gears here and finally, let me ask you about these anti-smuggling efforts; that is, smuggling of people across the border. I wonder if you can describe the kinds of smuggling activities we are seeing today in numbers, whether it is an organized system, organized crime or what have you.

Mr. NELSON. Again, let me take a crack, and if someone else wants to elaborate it is fine. I think that smuggling operations, Mr. Rogers, encompass everything from the solo operator who just has a car, or leads somebody across on foot, to some very organized rings which are often involved in other criminal activity—narcotics, particularly.

As our enforcement picks up, sometimes we are seeing what you expect—more sophistication, more organization by some of these smuggling rings. We have all heard some of the horror stories of people being raped, murdered, robbed, and abandoned in the desert to die. This happened obviously, in some cases. It is really some of the worst examples of human behavior towards other humans you can find.

We believe our efforts have been productive. I might note we have had good cooperation with the Mexican Government in this area. I think there is recognition that smugglers are really hurting everybody. As a result, we have had some good cooperation, some investigations, some prosecutions and some interdiction activity there.

Mr. ROGERS. My numbers indicate that in 1985 you had 3,400 smuggling principals apprehended; in 1986, 3,000; and you are estimating in 1987, 3,500 smuggling principals. I assume that is smugglers.

Mr. NELSON. Right.

Mr. ROGERS. What kind of a prosecution and conviction rate have you had on those people?

Mr. NELSON. It has been very good. I will see if I can find it in my testimony here. I know that the percentages have increased significantly in terms of the cases brought, those convicted and the sentences served. According to our data, last year there were 22,000 arrests of alien smugglers, 8,000 prosecutions and 6,500 con-

victions. As indicated, the severity of sentences for smuggling convictions continued to increase in 1986. Sentences in major felony convictions averaged over 17 months.

Again, as indicated, there is a great increase in seized vehicles. This has been helpful in deterring the smugglers to some extent, and also making use of these vehicles for government use under the new laws.

Mr. ROGERS. I would suspect now, with a system where there is a legal way to get into the U.S., that you are probably going to see an organized crime effort to get a package deal.

Mr. NELSON. Yes.

Mr. ROGERS. Entry, papers, jobs and the whole bit, because it is going to take that kind of expertise to run the gamut here, and I hope you build a gamut large enough to snare the perpetrators.

Mr. NELSON. Thank you, sir. We certainly intend to. We have an excellent fraudulent and document laboratory, and I would invite any members of the Committee or staff out there. It is located near Tysons Corner. We have moved it from our own facility to get more room. I think we have enhanced our ability to investigate and detect fraudulent documents.

We have also done a lot. For example, the Justice Minister of Belgium met with the Attorney General. I met with him. We have had some good cooperation, particularly with the European countries, Canada, and Australia in sharing information.

Document analysis is increasing. We have been also active there. We won't catch them all, but we certainly are going ourselves to make every effort to apprehend the major smugglers, to investigate and prosecute individuals using this. It is similar to the drug business, where the individual using these documents is also not exempt.

But in the earlier question, to deal with those applications for legalization, if we get indication they are using fraudulent documents, we will take as strong a stand as we can.

Mr. ROGERS. As you embark on implementation of the Act and all the difficulties you are going to encounter, we wish you the luck of the Irish.

Mr. NELSON. Thank you, sir. We appreciate that. We can use it.

Mr. DWYER. May the wind be always at your back. Thank you, Mr. Nelson.

Mr. NELSON. Thank you, Mr. Chairman.

Mr. DWYER. We will have some questions that we will submit to you, and you will supply it for the record.

Mr. NELSON. Yes, sir.

Mr. DWYER. We will recess until 2:00 p.m. this afternoon at which time we will take up Federal Prisons.

[The questions for the record and the answers submitted thereto, follow:]

QUESTIONS FROM MR. SMITH

Immigration and Naturalization Service

Immigration Reform

Question:

Your agency is at the center of considerable controversy concerning implementation of the immigration reform legislation. In your personal and professional opinion, do you believe that the Administration has applied sufficient resources to adequately implement the provisions of the Immigration Reform and Control Act of 1986?

Answer:

I am confident that the amount included in the President's budget request will be sufficient to carry out the new mandates of the immigration bill. In 1987, the Administration is requesting supplemental appropriations of $137,843,000 for enhanced enforcement programs and the Special Agricultural Workers program authorized by the Immigration Reform and Control Act of 1986, $9,000,000 for the detention of Mariel Cuban criminals, $11,136,000 for increased costs of the Federal Employee's Retirement System and uncontrollable Federal Telecommunications System increases; and $5,588,000 for the Federal pay raise that took effect in January of this year. Congress did not take action on a $24,598,000 rescission proposal to offset certain costs previously funded through appropriations that will now be paid with inspections user fees. A proposal involving reprogramming of funds in several programs, as well as other adjustments in resources, has been developed and is under review. The result is an appropriation of $731,969,000 in this fiscal year. However, this will be augmented by $148,540,000 to be collected from applicants who register under the Legalization program in 1987, and by $70,389,000 to be drawn from the inspections user fee account to pay associated Immigration and Naturalization Service (INS) expenses. Thus the total amount of program funds available to the agency will be $950,898,000 in 1987--a 56 percent increase over the initial Continuing Resolution.

For 1988, our requested appropriation of $838,828,000, which will be augmented by $180,692,000 to be collected from Legalization program applicants and $74,000,000 to be drawn from the inspection user fee account, will provide a total of $1,057,273,000 in program funds available to implement immigration reform.

With respect to the major provisions of the Immigration Reform Act:

- For the Legalization program, INS has promulgated a fee structure that is adequate to reimburse the costs incurred related to the Legalization activities of the INS and the Federal Bureau of Investigation (FBI).

- While the Special Agricultural Workers program is not self-funding, we believe our planning assumptions are sound and that our budget request is adequate.

- For improved enforcement, our planning assumptions reflect what we can reasonably expect to accomplish in 1987 and 1988, in view of the time that will be required to recruit and train large numbers of personnel without making any concessions that will lessen the high quality and professionalism of our officer corps.

Question:

Concerns have been raised that the demands of immigration reform may adversely affect the delivery of ongoing naturalization services in 1987. Have you, in fact, been forced to decrease normal services because of your large reform workload, and, if so, what impact does it have? What was the backlog in naturalization processing in 1986 and what will it be for 1987?

Answer:

The Service does not intend that Reform Act activities adversely affect ongoing naturalization activities. Legalization offices will not be placed at current Service locations where naturalization applicants are processed; therefore, there will be little increased traffic to disrupt routine activities.

There is no naturalization backlog when considered on a national scale. Allowable processing time is four months from receipt to initial interview. The statistics reflect less than four months of pending workload. However, there are several instances of backlogged offices, the most dramatic being Los Angeles. Ongoing efforts have been and are being conducted to bring about currency at all locations. Our projections indicate no increase in backlogs through the end of 1987.

Question:

These organizations also express that the proposed amount of "up-front" funding to be provided by INS for staff, equipment and other expenses for application processing is much too low. Does the INS now plan to provide more than the proposed three percent of projected reimbursement?

Answer:

In response to requests from the national organizations, the Service is studying the feasibility of increasing the "up-front" funding so that they can maximize their organizational efforts. The Service has also taken under advisement the feasibility of allowing ancillary expenses and extensive counseling related to documentation retrieval to be exempted from the $75 counseling fee cap. The Service has published a revised version of the cooperative agreement in the Federal Register.

Question:

Concerns have also been raised that INS has not done enough to provide public information on the basic citizenship and English language skill requirements of the legalization program. What are you doing to publicize this aspect of the legislation and could it be improved?

Answer:

As an initial phase of the public information program pertaining to the citizenship and basic English language skills required in the legalization process, INS is developing a taped telephone message to be included in the initial phase of the new 800 telephone number system scheduled for operation on April 17, 1987.

The second phase of the public information program will involve inclusion of the requirements in a brochure which is now at the copy and design stage. We will also consider their inclusion when we develop public service announcements for television and radio in the near future.

Legalization Application Fees

Question:

How do you envision the fee to work, will there be an initial fee for temporary status to be followed later with another fee when permanent status is sought?

Answer:

The fee structure that has been established is designed to cover INS' and FBI's costs for the temporary residence phase of the legalization program. It assumes that the costs will be covered if only 2 million aliens (of the 3.9 million we originally estimated) apply. Should a surplus occur, the excess funds can be used to offset our expenses for the permanent residence phase of the program.

We will in the future establish a fee for adjustment to permanent residence that will cover the costs of that phase of the program.

Question:

Isn't that $185 fee actually made up of a $150 fee for temporary status and $35 for permanent status?

Answer:

No, it is not. The $185 fee is for processing applicants for temporary residence. The fee for permanent residence will be established once we know how many people do, in fact, come forward and we have better information on the total cost of the program.

Question:

Do you believe that the comparable fee for the initial legalization application fee is the $150 temporary fee or the $185 total fee?

Answer:

The comparable fee for a temporary residence applicant is $185. With regard to the existing fees for one to immigrate to the United States legally, the $185 represents $35 for the fee for the relative petition filed with INS and $150 for the immigrant visa issued by the State Department.

Question:

If it turns out that you have collected more from fees than you require, do you plan to refund those amounts back to the applicants?

Answer:

No, we do not. We plan to apply them toward the program costs for adjustment from temporary to permanent residence.

Funding the Legalization Program

Question:

We understand that you have some preliminary estimates of possible applicants that you have received from some of the voluntary agencies. Would you provide those estimates by area?

Answer:

Traditional national voluntary agencies have estimated that they will prepare from 1.5 to 2 million applications during the temporary residence program. Since these projections are preliminary, they have not broken down the figures by area. However, one voluntary agency, Catholic Charities of Los Angeles, had registered 230,000 potential applicants as of March 13, 1987.

Immigration User Fee

Question:

Public Law 99-500 established an Immigration User Fee account designed to alleviate the imbalance between available resources and workload demand for inspections at air and sea ports. Have you begun to collect these fees, and what are your total planned collections for 1987 and 1988?

Answer:

Immigration User Fee collections started on December 1, 1986. Based upon planning estimates INS anticipates user fee collections of $120,000,000 in 1987 and $150,000,000 in 1988.

Question:

Are you experiencing any difficulty in collecting the fees?

Answer:

Yes, we are. However, we feel that the initial difficulty is the direct result of a rapid start up and experience limited only to the month of December, 1986. December is historically a slow foreign travel and ticket sales month. Many of the passengers traveling in that month purchased their tickets in advance and did not have to pay the user fee. The first remittances for December were received in February 1987. The next remittances for January through March 1987 are due on April 30, 1987. At that time, a more comprehensive evaluation of the collection process can be made.

Question:

How many inspectors did INS have at air and sea ports prior to enactment of this legislation, and how many do you plan to have by the end of 1987 and 1988?

Answer:

The Service had 557 full-time-permanent inspectors performing air and sea inspectional duties prior to enactment of the user fee legislation. This number is being increased to 857 with the hiring of 300 reimbursable positions for 1987 provided for in the legislation. Following full deployment of the new inspectors, plans will be drafted to increase airport staffing for 1988, if operationally required.

Question:

Are you confident that collection of these fees will correct the delay problem being experienced at these ports of entry?

Answer:

The addition of the new inspectors should allow INS to facilitate the inspection of all passengers arriving by air and sea. Undue delays should be essentially eliminated at all major facilities.

Question:

Will funds be available from those fees for INS pre-inspection activities overseas?

Answer:

User Fee resources will be used to cover both the cost of our current preinspection activities at ten facilities overseas, and to provide for expansion of the concept to new sites.

Border Patrol

Question:

There are those who contend that the meat of the immigration reform legislation is employer sanctions and not increases in the Border Patrol. How would you respond to the contention that increasing the Border Patrol by 50 percent is a waste of money because they still won't be able to close off the border?

Answer:

We believe that Congress intended, as stated in the Immigration Reform and Control Act of 1986, that an essential element of the program of immigration control is "an increase in the Border Patrol and other inspection and enforcement activities of the Immigration and Naturalization Service and of other Federal agencies in order to prevent and deter the illegal entry of aliens into the United States and the violation of the terms of their entry." While employer sanctions are one element in the deterrence of illegal immigration, Congress also recognized the fact that illegal entries are being made for purposes other than seeking jobs in the United States.

These purposes include persons illegally entering the country for the sole purpose of perpetrating criminal acts. The real waste of taxpayer's money is in the form of stolen property losses, the expense of incarcerating criminal aliens, and the hospitalization costs of both criminals and their victims, all of which are unnecessary financial burdens to U.S. citizens. The Border Patrol's mission is to prevent the illegal entry of these criminals, to detect and apprehend both alien and narcotics smugglers, and to secure the Nation's borders against potential terrorist aggression.

With the 50 percent increase to the Patrol, there will be a stronger, more comprehensive and effective border enforcement program to safeguard against the wasteful destruction associated with the criminal activities operating across and along the border. In addition, the Border Patrol's enhanced presence is essential for ensuring that a large illegal alien population which exists in this country today does not recur and increase in the future simply because of a lack of commitment to controlling our Nation's borders.

Question:

Of course there are others who are staunch believers in the 50 percent growth in the Border Patrol and they claim that the Administration is not complying with increases of 1,800 agents called for in the legislation. What will be the net increase in the number of Border Patrol funded positions in 1987 and then 1988?

Answer:

The Reform Act mandated a 50 percent increase in the Border Patrol. Our planning for this substantial growth includes 1,608 additional Border Patrol Agents and 240 support personnel which will accomplish the required increase. The number of full-time equivalent workyears funded for these Border Patrol positions is 135 workyears in 1987 and 630 workyears in 1988. By the end of 1987, 620 positions will be filled. By the end of 1988, 1,068 positions are expected to be filled.

Question:

We have received reports that the anticipated number of graduates from your training facility at Glynco for both 1987 and 1988, will be approximately 850, and that when normal attrition from the Border Patrol is considered, you will in fact have added fewer than 600 personnel. Are these figures accurate, and how can you justify such a number when the legislation calls for 1,800 new agents?

Answer:

The legislation authorizes an additional 1,848 Border Patrol positions. Of the total, 1,608 are Border Patrol Agent positions and 240 are support positions. The Patrol estimates that by the end of 1988 there will be an additional 828 Border Patrol Agents on duty, either in the field or at the academy. This on-duty figure also factors out the loss of about 276 agents from either the academy or the non-trainee officer workforce. The hiring of new agents will be accomplished on a schedule which considers both the financial aspects and operational requirements of the Border Patrol program, including specialized equipment and office space and facilities, as well as increased staffing levels. By the end of 1988 INS expects to achieve the hiring levels supported by this budget request.

Question:

When does the INS plan to have the full authorized level of 5,541 for the Border Patrol onboard?

Answer:

The Border Patrol onboard strength has historically been less than the total authorized staffing level. The on-duty strength will usually be less than the authorized level primarily because of the loss of technical support personnel who are difficult to recruit and hire in certain areas of the country and the associated lapse time in filling those positions. The Border Patrol anticipates that by the end of 1988, nearly 85 percent of the authorized force will be on board.

Question:

If you are committed to the growth mandated by the legislation, why are you planning to run only nine classes of 48 students in 1987 and 14 classes in 1988?

Answer:

The Service is committed to strengthening border enforcement through growth not only in agent staffing but also through the increased use of technology, such as the use of night vision detection devices, sensor equipment, and with additional aircraft support to increase the overall effectiveness of border enforcement activities. The number of classes which will be conducted in 1987 and 1988 will be based on a continuous assessment of agent attrition both at the academy and in the field, and limitations on the availability of training space at the Federal Law Enforcement Center in Glynco, GA.

Questions:

Isn't it true that you ran 24 classes through Glynco in 1985, which could provide approximately 865 new agents a year?

Answer:

The Border Patrol Academy did conduct 24 classes in 1985 which resulted in an additional 690 agents on board at the end of the fiscal year. At that time, however, INS was not training large numbers of other officers, i.e. detention, investigations, inspections, etc., through Glynco simultaneously with large numbers of Border Patrol Agents, as is currently the case with the Immigration Reform and Control Act of 1986.

Question:

Considering that the number of authorized positions for INS enforcement increases by over 36 percent from 1980 to 1988, how can you justify an increase in your training budget of less than half of that amount for the same period.

Answer:

Training resources are also provided within the "base" budgets of all programs receiving new personnel. These funds are added and remain in each program's budget to meet entry level and future training needs.

Employer Sanctions

Question:

Reform legislation makes the hiring of undocumented workers illegal. What plans has INS developed to insure that employers comply with the sanctions requirement?

Answer:

The Service presently is developing a national strategy for implementing the employer-verification and authorized-worker hiring provisions of the new law. Essentially it is composed of three elements, noted below:

- Education and public awareness. A critical element in the successful implementation of "sanctions" is a thorough and ongoing program which ensures that employers, recruiters and referrers become aware of their responsibilities under the law. This program places an affirmative responsibility upon INS. In order to make the most effective use of our resources in carrying out this responsibility, INS will emphasize educational contacts with (1) large forums encompassing many groups, such as the Chamber of Commerce, manufacturing associations, etc.; (2) major employers with large numbers of employees such as the Marriott Corporation; and (3) employers with whom the Service has had contact in the past due to their hiring of undocumented workers, in order to assist them in correcting past deficiencies, with no stigma attached.

- Compliance site visits. Sites will be randomly selected, using statistical sampling techniques, from the entire population of employers. This technique, by its very nature, ensures maximum voluntary compliance on the part of employers, similar to the Internal Revenue Service (IRS) audits or Occupational Safety and Health Administration (OSHA) workplace site visits. This technique has been ruled upon by the Supreme Court (in the context of OSHA) as an acceptable method of ensuring statutory compliance with limited resources.

- Targeted suspected violators. Suspected violators will be investigated on the basis of articulable facts, investigative leads, contacts with reliable informants, information received from other agencies (such as the Department of Labor), and other substantive information.

Question:

Is INS focusing on employers who in the past have hired large numbers of undocumented aliens?

Answer:

As noted in our response to the preceding question, INS will focus on this category of employer primarily for our eductional efforts, to attempt to work cooperatively and stress the importance of voluntary compliance by the employer.

Our interpretation of the pattern-and-practice penalities indicates that past employers of undocumented aliens are not to be treated discriminately in the enforcement of the sanctions laws. It is our intention to avoid focusing solely on such employers simply by virtue of practices which were not in the past violations of law.

Question:

How many employers does INS expect to survey in 1988?

Answer:

That question cannot be answered at this time. It is highly dependent upon two factors: (1) the resources available to our enforcement programs with which to monitor compliance; and (2) the further development of our national strategy of education, compliance site audits by sampling techniques, and investigations of specific employers on the basis of articulable facts indicating violations.

Question:

How long will it take before each large employer is surveyed?

Answer:

There are some constraints that may inhibit surveys or compliance checks of every large worksite in the United States in 1987. This may be compensated for by using a random sampling approach in the same manner as it has been used by other federal agencies with similar responsibilities, such as OSHA, the Department of Labor, the Bureau of Motor Carriers, the Pharmaceutical Diversion and Compliance Division of the Drug Enforcement Administration, etc. This is a viable alternative to attempting to visit every site, which encourages compliance and also makes efficient use of resources.

Question:

What types of employers will be surveyed?

Answer:

In a site compliance strategy which incorporates an element of validly constructed statistical sampling of the population of employers, almost every type and size of employer will receive some level of compliance audit and enforcement checks, although each particular employer would not necessarily be surveyed.

Question:

How many personnel will you have onboard for enforcing sanctions in 1987, and how many in 1988?

Answer:

The enforcement component which will have primary sanctions enforcement responsibilities within INS is the Investigations Division. We do not anticipate establishing separate entities within that division with sanctions responsibilities. Our officers will continue to exercise responsibility over other critical areas, such as the alien criminal and narcotics investigations, and anti-fraud measures also encompassed within the Immigration Reform and Anti-Drug Abuse Acts.

Because the Investigations Division is hiring personnel to fill positions later in the year, by the end of 1987 there will be approximately 200 additional persons on duty, including all managers, supervisors, special agents and support personnel.

By the end of 1988 we expect to have the full complement of 500 positions on board to enforce employer sanctions.

Question:

Won't these investigators also be responsible for investigating fraud and securing warrants to enter open agricultural fields?

Answer:

Yes, they will. However, given present on-duty levels of approximately 900 positions of all types, this is roughly a doubling in size for the Investigations Division.

Question:

Do you believe the growth in investigators that you request is sufficient to handle the workload?

Answer:

We believe that the increase in the Investigations Division is substantial. With management and productivity improvements, our agents will be able to assume their new responsibilities in a professional and efficient manner. It should also be noted that the Border Patrol will also have responsibilities for enforcement of the sanctions and open-fields warrants provisions, and thus share the workload. In view of this, we feel that the growth is sufficient at this time.

Detention and Deportation

Question:

It has been reported that INS has not been able to detain aliens who are subject to deportation because of lack of facilities. The budget shows that almost 50 percent of the 1988 detention days will be in non-INS facilities. Is this true? If so, what actions are planned to reduce the problem?

Answer:

Yes, it is true to some extent. INS has requested fifteen million dollars in the 1987 supplemental budget request for detention facilities to help alleviate the problem. Another major effort which will also reduce the problem of detention in non-INS facilities is being pursued by INS, the Executive Office for Immigration Review (EOIR) and State and local officials. This program will identify incarcerated criminal aliens for the purpose of conducting hearings

in identified State and/or local facilities in order to remove these individuals from the United States expeditiously upon completion of imposed sentences. INS and EOIR are also formulating a program to conduct expeditious hearings for other aliens released to INS custody. This will help free up existing detention space.

Question:

How many additional aliens would have been detained in 1986 if sufficient facilities had been available?

Answer:

Additional aliens, in direct proportion to the number of additional available funded beds, would have been detained; i.e., if 20% more funded beds had been available, 20% more aliens would have been detained. Due to lack of beds and funds to pay for such space, significant numbers of aliens (other than Mexican) were released on their own recognizance.

Questions:

What is the range of costs INS pays for non-INS facilities?

Answer:

In 1986, the average daily detention cost for non-INS facilities ranged from $20.33 to $41.95 per day.

Question:

What actions (such as deporting convicted illegal aliens) can INS take to reduce the costs of this provision?

Answer:

In a joint effort with State and local officials and EOIR, INS will formulate a program to identify incarcerated criminal aliens, and arrange to conduct hearings in identified State and/or local facilities remove criminal aliens from the United States expeditiously upon completion of imposed sentences. Final plans are under way for the implementation of this program in California and New York. On February 26, 1987, INS and EOIR officials met with Florida officials to discuss implementation of this program. INS and EOIR are still negotiating with the State of Florida and hope to reach an agreement in the future. In the meantime, a program is being formulated by INS and EOIR to conduct expeditious hearings after these aliens are released to INS officials.

Question:

Does INS know if State courts will agree to suspend incarceration if the illegal alien agrees to be deported?

Answer:

INS does not know at this time whether any State courts will agree to suspend incarceration if an alien agrees to be deported.

Question:

If funds are made available, will INS reimburse States for incarceration of illegal aliens convicted of a felony who may not be considered deportable?

Answer:

Illegal aliens convicted of a felony are normally considered deportable. However, if funds were made available, for this purpose reimbursement to the states would be handled by the Bureau of Justice Assistance.

ADP Modernization

Question:

Does the 1988 budget request reflect the ADP resources INS expects to acquire to support the modernization program, or is a supplemental request anticipated when the review is completed?

Answer:

The Immigration Reform and Control Act funding has provided a sound foundation on which to build a modernization effort through 1988. The Federal Computer Performance Evaluation and Simulation Center (FEDSIM) is conducting a long-range analysis to determine INS' future needs.

Question:

The 1986 and 1987 budget requests contained $7.5 million and $7.8 million respectively for the purchase and lease of ADP equipment. Since INS was prohibited from additional acquisitions during this same timeframe, how were these funds used, and what amounts have been carried over?

Answer:

INS' obligations in 1986 and 1987 support the lease and maintenance of the original inventory of equipment acquired under the Acquisition II contract. INS is also continuing to lease equipment that was installed prior to the acquisition of equipment under this contract. INS was phasing out the lease of that equipment when it was stopped from acquiring additional equipment.

Motor Vehicles

Question:

In your 1987 program supplemental you requested an additional 1,300 motor vehicles above the number required for replacements. In 1988 you request an increase of nonreplacement vehicles of 1,180 for a total over two years of 2,480. Why do you require so many new vehicles?

Answer:

The Service requires a large number of new motor vehicles in 1987 in order to implement the provisions of the Immigration Reform and Control Act of 1986. For example, the Border Patrol expansion will result in the addition of 635 new police-type sedans and four-wheel drive special purpose vehicles. The employer sanctions program and new efforts directed against criminal aliens require increased Investigations personnel and the vehicles to support their operations. The request for 1987 includes vehicles essential to implementation of the Reform Act.

At this time the Service does not anticipate purchasing additional new vehicles in 1988 to support Reform Act implementation activities.

Question:

What is the total net increase in the number of funded positions for INS in 1987 and 1988?

Answer:

The net increase in the number of funded positions in 1987 is 1,837. These are related to the implementation of the Immigration Reform and Control Act of 1986. In 1988, the net increase will be 3,681, if the INS budget request is approved.

Question:

What funds are requested in 1988 for motor vehicles?

Answer:

The 1988 budget request includes $13,342,000 for the purchase of all types of vehicles. Only replacements will be purchased according to current plans.

Naturalization

Question:

It is my understanding that in many regions, permanent residents who have passed their naturalization exams may face waits of five months to a

year in order to be sworn in as U.S. citizens. Could you please give us an update on the progress of Service negotiations with the courts on this matter?

Answer:

The Districts and suboffices are maintaining liaison with local court officials to facilitate the expeditious naturalization of qualified permanent residents. In several instances, the results have been remarkable. The Federal District Court in Newark has increased the number of naturalization hearings from two per month to three per week. It has also scheduled a mass hearing on April 16, 1987, for 2,000. Special hearings were held in New York at the Statue of Liberty and several other cities on July 3, 1986. New York also arranged for another special hearing at the Statue of Liberty on October 3, 1986 and a large hearing in Battery Park on September 3, 1987. The most ambitious and successful schedule of mass hearings has been arranged with the U.S. District Court of Central California in Los Angeles. During 1986, the following schedule was completed in Los Angeles:

Date	Persons Naturalized
March 28	1,534
April 4	2,896
June 3-4-5-6	9,139
July 8-9-10-11	8,685
August 26-27-28-29	9,630
September 17	4,217
December 10-11-12	15,000

The following hearings have been scheduled in Los Angeles for 1987:

Date	Persons Scheduled For Naturalization
April 17	4,500
April 29	7,600
July 9-10, 29-30-31	7,600 each day
September 21-22-23	7,600 each day
November 17	3,600 each day
December 7-8-9-10, 14-15-16-17-18	3,600 each day

Question:

Please provide for the record a district-by-district statistical analysis showing current waiting times for a court hearing in pending naturalization cases.

Answer:

Eastern Region

Court	Months Pending
District of Connecticut	5
District of Delaware	3
District of Columbia	3
District of Maine	2
District of Maryland	3
Other Courts	6
District of Massachusetts	6
Other Courts	6
District of New Hampshire	4
District of New Jersey	3
Other Courts	6
Northern District of New York	2
Eastern District of New York	3
Southern District of New York	3
Western District of New York	2
Westchester Superior Court	4
Eastern District of Pennsylvania	2
Middle District of Pennsylvania	5
Western District of Pennsylvania	2
District of Purerto Rico	3
District of Rhode Island	4
District of Vermont	2
Eastern District of Virginia	6
Western District of Virginia	2
Northern District of West Virginia	2
Southern District of West Virginia	2

Southern Region

Northern District of Alabama	6
Middle District of Alabama	6
Southern District of Alabama	6
Eastern District of Arkansas	3
Western District of Arkansas	3

Southern Region (continued)

Court	Months Pending
Northern District of Florida	4
Middle District of Florida	4
Southern District of Florida	12
Northern District of Georgia	6
Middle District of Georgia	6
Southern District of Georgia	6
Eastern District of Kentucky	4
Western District of Kentucky	3
Eastern District of Louisiana	2
Middle District of Louisiana	4
Western District of Louisiana	3
Northern District of Mississippi	6
Southern District of Mississippi	6
District of New Mexico	4
Eastern District of North Carolina	7
Middle District of North Carolina	7
Western District of North Carolina	7
Northern District of Oklahoma	4
Eastern District of Oklahoma	4
Western District of Oklahoma	4
District of South Carolina	6
Eastern District of Tennessee	5
Middle District of Tennessee	5
Western District of Tennessee	5
Northern District of Texas	6
Eastern District of Texas	11
Southern District of Texas	11
Western District of Texas	6
Northern Region	
District of Alaska	1
District of Colorado	2
District of Idaho	1
Northern District of Illinois	2
Central District of Illinois	6
Southern District of Illinois	6

Northern Region (continued)

Court	Months Pending
Northern District of Indiana	3
Southern District of Indiana	3
Northern District of Iowa	3
Southern District of Iowa	3
District of Kansas	2
Eastern District of Michigan	4
Western District of Michigan	5
District of Minnesota	2
District of Missouri	4
District of Missouri	5
District of Montana	1
District of Nebraska	3
District of North Dakota	2
Northern District of Ohio	2
Southern District of Ohio	3
District of Oregan	1
District of Utah	1
Eastern District of Washington	3
Western District of Washington	2
Eastern District of Wisconsin	1
Western District of Wisconsin	1
District of Wyoming	2
Western Region	
District of Arizona	3
Superior Court, Yuma Arizona	4
Northern District of California	4
*Eastern District of California	2
Central District of California	5
Southern District of California	3
Other Courts, Northern California	4

Western Region (continued)

Court	Months Pending
District of Guam	3
District of Hawaii	3
District of Nevada	2

*The Bakersfield Federal Court in the Eastern District of California has a 12 month pending caseload.

Question:

Has the Immigration and Naturalization Service obtained a formal legal opinion regarding the legality of collecting fees from applicants in order to recoup the costs of the Legalization Program?

Answer:

A legal opinion has not been obtained. The Immigration Reform and Control Act of 1986 is very clear regarding the collection and use of fees. In Section 201(c)7(A) the Act states "The Attorney General shall provide for a schedule of fees to be charged for the filing of applications for adjustment. . . ." Section 201(c)7(B) requires the Attorney General to deposit fees collected ". . . in a separate account and amounts in such account shall be available, without fiscal year limitation, to cover administrative and other expenses incurred in connection with the review of applications filed. . . ."

In view of the explicit nature of these sections of the Reform Act, we do not feel that a formal legal opinion regarding the collection and use of fees is necessary.

QUESTIONS FROM MR. EARLY

Immigration and Naturalization Service

Question:

How does the INS view the March 9, 1987, Supreme Court decision regarding political asylum and what efforts will the INS make to protect those that the court finds will be politically persecuted or killed if deported to certain Central American countries?

Answer:

We have been awaiting the opinion of the Supreme Court in this case, which we hoped would provide a clear decision as to what the standard of proof was in asylum determinations. Although the Court did not provide as much clarification as we would have preferred, the following is clear from their holding:

- that Congress intended a different standard in establishing eligibility for relief under the asylum provision (section 208) than under the witholding of deportation provision (section 243 (h));
- that the standard for asylum is less than the clear probability or "more likely than not" standard required in withholding cases; and
- that in conjunction with the lesser standard, the granting of asylum remains a discretionary decision by the Attorney General and his delegatees.

Assuring that no one with a well-founded fear of persecution is returned to a country where he or she would face persecution is a prime consideration for Service officers. The Service has devoted significant resources and provided specialized training to the immigration examiners who interview applicants and prepare cases for the decision of Service district directors. Likewise our trial attorneys who are present when immigration judges consider asylum claims are also well versed in refugee and asylum law.

This new decision of the Supreme Court will be transmitted to all of our field offices. The practical effect should be the approval of a somewhat higher proportion of asylum claims. (The approval rate for asylum claims during the past four years has been 20-30 percent.) The Court did not set forward a test of how the well-founded fear test should be applied. Instead, it states that the ambiguity in the term "well-founded fear" can only be given concrete meaning through a process of case-by-case adjudication. In keeping with the opinion of the Supreme Court, precedent decisions of the Board of Immigration Appeals can be expected to provide further guidance in applying the lesser standard of proof in asylum determinations. The Board and our districts have already been applying a distinct and lesser standard in cases arising within the jurisdiction of the

Second, Fifth, Sixth, Seventh and Ninth Circuit Courts of Appeals. This is due to prior rulings of those circuits. A recent General Accounting Office study of asylum adjudications found that 24 percent of the asylum applications which they reviewed did not fall under any of the five categories within the refugee definition and instead feared harm based upon conditions of internal civil or military strife. The change in the standard of proof would not affect any of these claims.

Question:

There is considerable concern that resource needs of the legalization program will drain resources from ongoing services such as naturalization. What steps is the INS taking to ensure the timely processing of naturalization applications since all position increases requested for 1988 are earmaked for the Special Agricultional Workers program?

Answer:

Reform Act activities will not adversely affect ongoing naturalization activities. Legalization offices will not be placed at current Service locations where naturalization applicants are processed; therefore, there will be little increased traffic to disrupt routine activities.

There is no naturalization backlog when considered on a national scale. Allowable processing time is four months from receipt to initial interview. The statistics reflect less than four months of pending workload. There are, however, several instances of backlogged offices. Ongoing efforts have been and are being conducted to bring about currency at all locations. Our projections indicate no increase in backlogs through the end of 1987. Careful monitoring of workloads and available resources should allow INS to continue controlling backlogs in 1988.

Question:

What steps has the INS taken to inform legalization applicants of the Basic Citizenship Skills requirement for adjustment to permanent resident status? What administrative procedures is INS planning to implement to inform applicants for temporary residence of the requirements to adjust their status to permanent residence?

Answer:

INS is currently preparing a public information campaign regarding the legalization provisions of the Reform Act. This campaign will include information on language and civic knowledge requirements. We will also rely on the qualified designated entities to inform potential applicants of the requirements of this legislation.

Question:

How will the INS determine whether a legalization applicant has a minimal understanding of ordinary English and history and government of the U.S. in order to adjust their status to permanent residence?

Answer:

Although our planning efforts are aimed mainly toward setting up the temporary residence program, our early thinking on this issue is that we will use the standards used for naturalization proceedings.

Question:

Will the INS provide legalization applicants with lists of those English and citizenship courses that are recognized by the Attorney General?

Answer:

We are in the early stages of our planning regarding the language and citizenship knowledge requirements for legalization. Lists of currently certified programs may be provided. In addition, participating qualified designated entities using our texts may also be included.

QUESTIONS FROM MR. DWYER

Immigration and Naturalization Service

Question:

Attorney General Meese told this committee in 1985 that the Administration was working on an exchange with the Cuban government to return these criminal elements that were among the Mariel population. In fact, you said that if the exchange did not happen for some reason, "we will take the necessary measures such as you suggest so that the burden doesn't remain with the states."

Are there any efforts being made to resume this exchange program with the Cuban government?

Answer:

The original "Mariel Agreement" negotiated by representatives of the Department of Justice and the Department of State was unilaterally terminated by Fidel Castro upon the airing of Radio Marti in May of 1985. Since that time we have continued to communicate with the Government of Cuba with regard to a reinstatement of this agreement. In July of 1986 our delegation met with representatives of the Cuban Government in Mexico City in an attempt to seek reinstatement, but found their representatives to be unreceptive to our proposals. We have remained willing to meet with the Cuban Government on this issue, and have communicated that to them on several occasions. When the Cuban Government is willing to discuss this matter we are ready to meet with them.

Question:

Once again, you have requested no funds to reimburse States housing Mariel prisoners. Are you confident that this is strictly a State and local issue with no national repercussions?

Answer:

The Department of Justice believes that anyone, including Mariel Cubans, who is convicted of a State crime and sentenced to prison, is the responsibility of the State where the crime was committed. In addition to Mariel Cubans, there are other groups of immigrants in this country who commit crimes at the State and local level for which the Federal Government does not assume fiscal responsibility. It is a State and county responsibility to define violations of State and county law and to prosecute individuals who are convicted. While the Federal Government is responsible for enforcing immigration laws, it is not responsible for incarcerating those individuals who violate State or county laws.

Question:

How many Mariels are currently in State and local facilities serving sentences for crimes?

Answer:

The Immigration and Naturalization Service has detainers placed on 3,038 Mariel Cubans currently serving criminal sentences in State and local facilities.

Question:

How many Mariel Cubans are being held by the Federal Government (detained by INS and also for crimes)?

Answer:

The Federal Government is presently holding 3,361 Mariel Cubans who have served their sentences. In addition, there are 482 Mariel Cubans serving criminal sentences in Federal facilities.

Question:

How many Mariel prisioners were actually moved out of State and local prison facilities in 1986?

Answer:

Approximately 650 Mariel Cubans were moved out of State and local prison facilities into Federal custody in 1986.

Question:

The Justice Department has requested a $9 million supplemental to fund contract detention of certain Mariel Cuban criminal entrants who are returned to the Attorney General's custody after completing sentences in State and local prisons.

This would seem to indicate that the Mariel problem is indeed a Federal problem. Would you provide for the record the number of Mariels that these funds will be used to house, and from what States or localities they are being released?

Answer:

Based on our calculations, these funds will be sufficient to house approximately 475 Mariel Cubans being released from State and local facilities in Alabama, Alaska, Arizona, California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

QUESTIONS FROM MR. ROGERS

Immigration and Naturalization Service

Mariel Cubans

Question:

What is the total 1988 level of resources requested for the detention and care of Mariel Cuban criminals? Please provide a complete breakdown of how these funds are allocated.

Answer:

If the 1987 supplemental appropriations request is approved, our base budget by 1988 will provide $13 million for the detention of Mariel Cubans. The allocation of resources will be made to fund the cost of non-Service detention of Mariel Cuban criminals who must be detained after completing sentences for State and local law violations, in anticipation of eventual exclusion and removal of these aliens from the United States. Detainers have been placed on 3,038 Mariel Cuban criminals serving State and local prision sentences, while the Cubans in Service detention now number over 3,300.

Question:

Under the Continuing Resolution for 1987, INS was required to charge fees for inspection services. These fees were added on to sea and airline tickets for international travel, excluding Canada and Mexico. What is the total level of revenues you expect to derive in 1987 from the current provision of law? What additional revenues would be derived if the exclusions for Canada and Mexico were eliminated?

Answer:

The Immigration User Fee was implemented on December 1, 1986. Based upon planning estimates, revenues of $120,000,000 should be collected for the 1987 period of December 1986 through September 1987. Of this amount $70,389,000 is expected to be obligated by INS to cover its expenses. If all exclusions were eliminated it is estimated that collections would be $134,000,000 higher for 1987 and about $161,000,000 higher for 1988.

Question:

The new immigration act calls for the nationwide expansion of the SAVE (Systematic Alien Verification for Entitlements) program. How many States are currently participating in this program? What is the timetable for the nationwide expansion? What savings have resulted from the current program and what savings do you anticipate under the nationwide expansion?

Answer:

Currently, California, Colorado, Florida, Guam, Idaho, Illinois, Indiana, Montana, Puerto Rico, and the Virgin Islands are participating in the SAVE Program under signed, formal agreements. New Jersey, New Mexico, and Texas are expected to sign formal agreements in the near future.

Under the Immigration Reform and Control Act of 1986, SAVE is required to be operational and available nationwide by October 1, 1987. The INS expects that benchmark testing of the SAVE system being developed at this time will commence in May 1987. Full participation by the five entitlement agencies (Departments of Health and Human Services, Housing and Urban Development, Labor, Agriculture and Education) affected by the new legislation is not required until October 1, 1988.

The current SAVE Program has been operational since 1983. Through this cooperative effort, Federal and State benefit programs have avoided paying ineligible aliens approximately $332,000,000 in benefits over the last four years. When fully implemented by all Federally subsidized benefit programs, the INS estimates a potential savings of $2.8 billion. This figure should diminish gradually due to SAVE's strong deterrent effect.

QUESTIONS FROM MR. KOLBE

Immigration and Naturalization Service

Question:

Congress mandated a 50-percent increase in 1,848 additional positions to the border patrol by the end of 1988, yet the Administration is only requesting funding for about 800 additional positions, a 22 percent increase. Why?

(If response is that the INS cannot train more agents and get them on line in this amount of time, cite that they were able to run twice the number of border patrol classes in 1985. In fact, during this one year period (1985), the INS trained and put on-line over 1,000 agents and are now claiming that they can only train about 800 in a two-year period. Please explain this disparity.)

Answer:

The legislation authorizes an additional 1,848 Border Patrol positions. Of the total, 1,608 are Border Patrol Agent positions and 240 are support positions. The Patrol estimates that by the end of 1988 there will be an additional 828 Border Patrol Agents on duty, either in the field or at the academy. This on-duty figure also factors out the loss of about 276 agents from either the academy or the non-trainee officer workforce. The hiring of new agents will be accomplished on a schedule which considers both the financial aspects and operational requirements of the Border Patrol program, including specialized equipment and office space and facilities, as well as increased staffing levels.

It is also important to consider the major Reform Act generated expansions in the Investigations and Detention and Deportation programs which place considerable demands on INS's ability to recruit personnel and provide training at Glynco.

QUESTIONS FROM MR. ROYBAL

Immigration and Naturalization Service

Question:

Regarding the implementation of employer sanctions, how much does INS plan to expend for outreach and public education? How much does it plan to expend for those functions with regard to the legalization program, and with regard to the remedies available for discrimination that may result from the Act?

Answer:

Assuming that funds requested are appropriated as requested, planned resources for public education of all phases of the new employer verification and compliance provisions (Section 274A of the Immigration and Nationality Act) are slightly in excess of $7 million.

Because INS has planned the educational and public awareness effort as an integrated process, encompassing all phases of the law there is no separate funding of the anti-discrimination provision. We do not see discrimination as an inevitable outcome of the sanctions provisions. Public education of employers will include efforts to ensure that, to the maximum extent possible, employers are advised that their affirmative responsibilities include not only compliance with the paperwork requirements, but also the commitment to the principles of equal opportunity to all lawfully entitled job applicants. We perceive our educational responsibilities to extend beyond the specifically appropriated monies for advertising campaigns and similar efforts. It is our intent to include continuing educational efforts in our compliance checks, to ensure a rational balance between impartial enforcement of sanctions against repeated offenders, and the willingness to work with employers who do not comply out of ignorance or misunderstanding of the law's standards.

Question:

Does the Service plan to coordinate implementation of employer sanctions enforcement with the entities responsible for remedying immigration-related employment discrimination, that is, the Department of Justice, the Office of Special Counsel, and the EEOC? If so, how is that to be done?

Answer:

There is no doubt as to the desirability and necessity of Service coordination with the entities responsible for anti-discrimination enforcement. Our efforts to coordinate have already begun through liaison with the Department of Justice and the EEOC on such matters as the development of regulations governing all phases of the employer law. We intend to incorporate anti-discrimination educational efforts in our broader public awareness campaign.

Question:

Is the Service aware of the interim policies those entities have established, and whether a remedial scheme of some type will be in place before employer sanctions are enforced on June 1? What is the Service's current understanding of how potentially actionable allegations of discrimination are being handled?

Answer:

During our regulatory and policy development phase in the last several weeks, the Service has had the opportunity to engage in discourse with officials from the EEOC, the Department of Justice and with newly nominated Chief Administrative Law Judge William Tyson, whose office will be responsible for conducting hearings under the employer laws, including sanctions penalties and anti-discrimination. These discussions have been extremely useful in ensuring that all parties involved in various phases of the law's provisions are acting in concert with one another. The Service intends to pursue a deliberative process in the implementation of the employer verification laws. We do not intend to abandon public education in favor of compliance/sanctions efforts on June 1. We anticipate that the initial hearings before the administrative law judges will not be sanctions-related, insofar as our efforts with employers will not concentrate on penalties, but rather on cooperative amendment of paperwork or hiring deficiencies. With respect to allegations of discrimination, those which fall within the jurisdiction of the EEOC should be filed with the EEOC. Charges of discrimination following within the jurisdiction of the Special Counsel may be sent to the Civil Rights Division, which will turn them over to the Special Counsel when the latter official is in place.

Question:

Is INS aware of whether other entities now have procedures in place to monitor discrimination related to employer sanctions?

Answer:

We are aware of the activities of the EEOC, the Office of Special Counsel, and the Office of the Chief Administrative Law Judge. All are pursuing strategies for the processing and handling of job discrimination-related complaints within their respective areas of jurisdiction.

Question:

What is INS's role in monitoring discrimination?

Answer:

We believe that monitoring activities do not appropriately rest with INS in the sense of legal or investigative procedures, either by statute

or jurisdiction. However, we intend to pursue public awareness of the anti-discrimination provisions aggressively through our education campaign and to establish formal procedures for the routing of complaints to the appropriate entities (Office of Special Counsel, Civil Rights Division and the EEOC). We hope to obtain the cooperation of those entities in establishing training for our personnel who will be visiting employment sites, so that they will be able to detect possible hiring discrimination problems for referral to those entities, should the occasion arise.

Question:

It is my understanding that complaint forms will be made available at INS offices. How does INS plan to assist in broadly disseminating these forms and providing personal assistance to complainants?

Answer:

The Service has not planned for the development of any complaint forms which relate to the anti-discrimination provisions of the Reform Act. The Office of Special Counsel is charged with both investigation and prosecution of such complaints. We expect that any forms developed for the purpose of anti-discrimination complaints must be developed by that office. The law requires INS officers to (1) receive and forward such complaints, and/or (2) file such complaints upon discovery of a discriminatory action. We expect to fullfill that statutory obligation completely. In the interim, complaints forwarded by INS will be in accord with the language of the Act, which prescribes that they shall be under oath. For that purpose, standard INS affidavit forms may be utilized.

Question:

Are cooperative efforts with other entities being made at the regional and district levels with regard to outreach and public education?

Answer:

Yes, they are. The service has developed a new Office of Employer and Labor Relations which is primiarily responsible for all educational awareness activities. At the Central Office, that organization is headed by an Assistant Commissioner. At each of the four regions, there are dedicated resources reporting to the Deputy District Directors. These parties are responsible for dissemination of information over all aspects of public education, including the anti-discrimination provisions.

Question:

In view of the fact that the legalization program must begin in May of this year, and especially because it is a one-time 12-month program, isn't it critical that there be sufficient budgetary resources to cover the full costs of the program, and especially the start-up costs this year?

Contrary to the Administration's view, many in Congress, including the Chairman of the House Judiciary Committee, hold that Congress never intended the fees to cover the entire cost of the legalization program. Does the Service believe that Congress intended that any intended beneficiary of the legalization program should be denied legal status simply because the fee is not affordable?

Apart from the issue of Congressional intent, however, isn't setting a fee as high as $185 going to act as a disincentive for families with limited financial means, for example, those who could meet the public charge exclusion that applies to application for permanent residency but who face financial hardship in their day-to-day lives now? Isn't limiting eligibility on the basis of ability to pay contrary to the whole intent of establishing a generous legalization program?

Answer:

We believe we have requested a sufficient apportionment to start up and cover the costs for the remainder of 1987.

We do not believe that the fee charged will prevent any legitimate applicant from coming forward. Rather, we see it as a reasonable charge for the service provided and the benefits gained. Additionally, with a $50 charge for minors living at home and a $420 cap for a family, we do not forsee qualified applicants as being unable to pay these fees, which are necessary to support the costs of the program. We do not see it as fair for present citizens and taxpayers to have to pay for these people's benefits.

Question:

How much does INS plan to expend for public information in 1987 and 1988?

Answer:

The Service plans to spend $8,000,000 for public information related primarily to the Legalization Program in 1987, with a small amount devoted to publicizing the Agricultural Program ($800,000).

In 1988, the Service plans to spend $4,000,000 for public information, $3,320,000 related to the Legalization Program and $680,000 related to the Agricultural Program.

Question:

How much is requested for 1987 and 1988 for reimbursement of the costs of qualified designated entities? How were those figures arrived at?

What does the Service now plan for a reimbursement rate and can qualified designated entities be assured that they will receive reimbursement for assistance to all those seeking it?

Answer:

The Service has budgeted approximately $26 million in 1987, 1988 and 1989 to pay the Qualified Designated Entities (QDEs) for submission of approximately 1.6 million temporary residence applications from national organizations and their affiliates and independent direct service providers. The national organizations will be paid $16.00 for each fee-supported application submitted by their affiliates; the direct service providers will be paid $15.00 for each fee-supported application the entities submit. Based on a time study, the Service calculated it would take an INS contact representative $15 to perform the information and assistance tasks required of the QDEs under the cooperative agreement. Thus, the agency determined to pay $15.00 for each fee-supported application submitted by QDEs. The extra (or "16th") dollar paid to national organizations is to cover tasks involving training, technical assistance, dissemination of information, monitoring, and coordination for their field affiliates. The legalization program will be an overall success if the QDEs submit more than 1.6 million applications.

Question:

The authorization for increased funding for INS mandated that the Attorney General "provide for improved immigration and naturalization services and for enhanced community outreach and in-service training of personnel of the Service."

Will the requested amount for ongoing activities of the Service fund these expanded efforts called for in the immigration bill?

Exactly how much of the request is for service-related activities and enhancement of the Service's ongoing responsibilities to provide immigration services to the public?

Answer:

The 1988 budget request includes adequate funding for the expanded efforts called for in the Reform Act. The resource level, combined with continuing efforts to improve the management of public service operations, is sufficient to meet the requirements of the law and Congressional intent.

The INS request for 1988 contains $48,365,000 for service-related activities and the enhancement of the Service's public service responsibilities.

TUESDAY, MARCH 17, 1987.

FEDERAL PRISON SYSTEM

WITNESSES

NORMAN A. CARLSON, DIRECTOR, BUREAU OF PRISONS
J. MICHAEL QUINLAN, DEPUTY DIRECTOR, BUREAU OF PRISONS
WADE B. HOUK, ASSISTANT DIRECTOR FOR ADMINISTRATION, BUREAU OF PRISONS
GERALD M. FARKAS, ASSOCIATE COMMISSIONER, FEDERAL PRISON INDUSTRIES, INC.
RAYMOND C. BROWN, DIRECTOR, NATIONAL INSTITUTE OF CORRECTIONS
LUMAN N. RENSCH, JR., CHIEF, OFFICE OF BUDGET DEVELOPMENT, BUREAU OF PRISONS
DAVID J. SWEDA, BUDGET OFFICER, OFFICE OF BUDGET DEVELOPMENT, BUREAU OF PRISONS
ROBERT N. FORD, COMPTROLLER
MICHAEL J. ROPER, DEPUTY COMPTROLLER FOR BUDGET

BUDGET JUSTIFICATION

Mr. EARLY [presiding]. The Committee will come to order. Continuing with our review of the Department of Justice, we will now hear testimony of the Federal Prison System. The Prison System requests $981,694,000 in fiscal year 1988, an increase of 12 percent over fiscal year 1987.

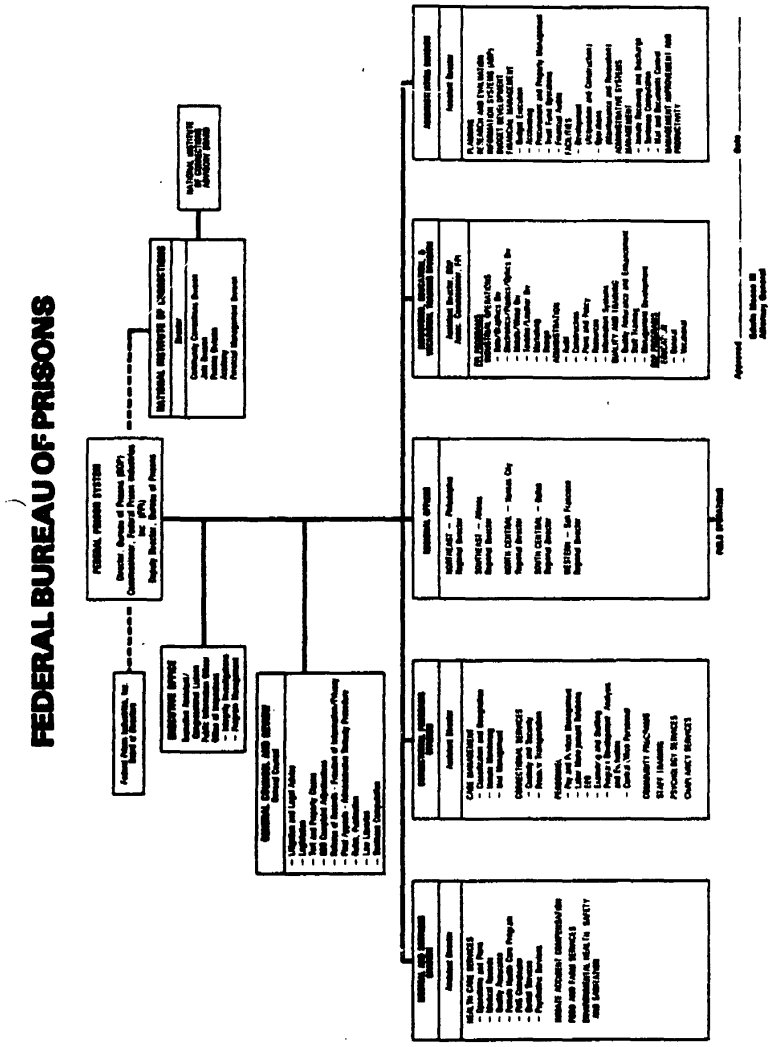
We will insert in the record at this point the Federal Prison System fiscal year 1988 budget justifications.

[The justifications follows:]

Federal Prison System

Priority Rankings

Base Program		Program Increase	
Program	Ranking	Program	Ranking
Inmate Care	1	Inmate Care	1
Institution Security	2	Institution Security	2
Institution Administration	3	Institution Administration	3
Institution Maintenance	4	Institution Maintenance	4
Planning and Site Acquisition	5	Planning and Site Acquisition	5
New Construction	6	New Construction	6
Modernization and Repair of Existing Facilities	7	Modernization and Repair of Existing Facilities	7
Contract Confinement	8	Administrative Services	8
Federal Prison Industries, Inc.	9	Unit Management	9
Unit Management	10	Other Inmate Services (non-appropriated)	10
Inmate Programs	11	Federal Prison Industries, Inc.	11
Executive Direction	12	Inmate Programs	12
Administrative Services	13	Staff Training	13
Other Inmate Services (non-appropriated)	14		
Staff Training	15		
National Institute of Corrections	16		


FEDERAL BUREAU OF PRISONS

Department of Justice

Federal Prison System

Salaries and expenses

Estimates for Fiscal Year 1988

Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes to the Appropriation Language	6
Crosswalk of 1987 Changes	7
Summary of Requirements	8
Summary of Resources by Program	9
Justification of Program and Performance	11
Justification of Multi-Activity Program Increases	42
Financial Analysis - Program Changes	45
Detail of Permanent Positions by Category	47
Summary of Adjustments to Base	48
Justification of Adjustments to Base	49
Summary of Requirements by Grade and Object Class	54

1278

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Federal Prison System

Salaries and expenses

Summary Statement

Fiscal Year 1988

The Federal Prison System is requesting for "Salaries and expenses" for 1988, a total of $760,851,000, 12,043 permanent positions and 11,328 1/ workyears. This request represents an increase of 786 positions, 413 workyears and $112,511,000 from the 1987 appropriation anticipated.

The mission of the Federal Prison System is to carry out the judgements of the courts for sentenced Federal offenders, provide detention services for persons serving short sentences, provide for humane incarceration of offenders and encourage offenders to participate in programs and activities that can impact positively on their capability for achieving a crime-free life. The Federal Prison System philosophy recognizes that incapacitation, retribution, deterrence and rehabilitation are all valid aims of corrections.

This appropriation will provide for the custody and care of an average of 44,878 offenders and for the maintenance and operation of 50 penal institutions, 5 regional offices, 3 staff training centers, a central office, and contracts with over 400 state and local correctional institutions, 30 juvenile facilities and 350 community treatment centers. An average of 5,820 Federal prisoners will be in contract state, local jails and community residential facilities in 1988. (On page 5 is a geographical display of the Federal Prison System by region.)

The appropriation "Salaries and expenses" contains four budget activities which incorporate ten programs. The budget activities are: Inmate Care, Custody and Programs, Institution Administration and Maintenance, Contract Confinement and Program Direction.

Inmate Care, Custody and Programs

This activity includes the costs of all food; medical care (including salaries of Health Resources and Services Administration commissioned officers); clothing; welfare services; security; release clothing, transportation and gratuities; housing unit furnishings; academic, social and occupational educational courses; leisure time programs; and religious and psychology services, and staff salaries. To carry out its mission in this activity, the Federal Prison System conducts the following programs:

The Inmate Care program includes the responsibilities for providing Federal inmates with a nutritionally adequate, palatable diet; conducting farm operations at two institutions for the production of beef and milk; providing adequate, accessible and quality health care for each incarcerated offender; and providing all inmates with an adequate supply of clean clothing, footwear, linens, toiletries and writing supplies. In addition, this program includes the costs of the clothing/laundry and commissary trust fund operations.

1/ Excludes reimbursable workyears.

The Institution Security program consists of the correctional staff whose responsibility is to maintain security, control and supervision consistent with human dignity.

The Unit Management program is a system of inmate management that decentralizes an institution by breaking the population down into groups of 50 to 150 offenders. It provides administration, case management services, drug/alcohol treatment programs and other needed services to the smaller groups.

Inmate Programs offer the inmates opportunities to develop or enhance their academic and vocational skills, to involve themselves in constructive leisure-time activity, to participate in religious programs of their choice and to receive individual or group counselling to deal with mental health problems.

Institution Administration and Maintenance

This activity covers all costs associated with the general administration, operation and maintenance of facilities. Included are functions of the warden's office, legal counsel, personnel, financial management, records office, safety, staff training, mechanical services, motor pool operations, power house operations, and other administrative functions.

Institution Administration finances the costs of the institutions' executive staff (warden and staff), legal counsel, personnel and financial management, records office and safety programs.

The Staff Training program provides training to all staff in all spheres of corrections. It assures that the latest policies, procedures and correctional techniques are communicated to staff. Staff training consists of programs in each institution, training at the three Federal Prison System staff training centers, and external training through contracts.

The Institution Maintenance program finances the costs of repairs to buildings and facilities, purchase of utility systems and steam power plants, telecommunications and transportation services. Services are provided through direction of the technical facilities management staff.

Contract Confinement

This activity/program finances the costs of care of Federal offenders in contract state, local and community residential facilities. Community Programs Managers (CPM's) develop and manage resources for the confinement of offenders in non-Federal facilities. This includes contracting with State and local correctional institutions to board certain types of Federal offenders, such as juveniles, offenders with short sentences and protection cases and contracting with State, local and private agencies who provide residential resources for institution releasees, direct commitments and persons requiring closer supervision than can be provided by U.S. Probation Officers. The Bureau is responsible for ensuring that these facilities meet Bureau standards and that inmates housed in these facilities receive adequate services. CPM's also provide liaison between the Federal Prison System, and the U.S. Marshals Service, U.S. Probation Service, U.S Parole Commission, Federal Courts, and state and local law enforcement officials.

Program Direction

This activity covers the costs of regional and central office executive direction and management support functions such as the executive staff, regional and central office program managers, research and evaluation, program analysis, budget development, policy development and implementation, system support, financial management, personnel, ADP, space management, and legal services.

Executive Direction and Control provides the resources for overall policy and program development, implementation, direction and evaluation to assure the effective conduct of the Federal Prison System's business. In addition, resources are included to provide the Federal Prison System and the Federal Prison Industries, Inc. with adequate legal counsel.

The Administrative Services program finances the central and regional office functions of personnel management; maintenance of equal employment opportunity; medical services; financial management, including procurement and property management; and ADP services, records management, mail, printing, reproduction, and space management.

The highly successful execution of this Administration's law enforcement initiatives, especially those directed at major drug trafficking and organized crime has resulted in a 75 percent increase in the Federal prison population - from 23,783 to approximately 41,500 inmates. Notwithstanding substantial recent increases in the capacity of the Federal Prison System through the expansion of existing facilities and activation of new institutions, the Bureau of Prisons' facilities are today overcrowded by almost 50 percent.

Prison overcrowding coupled with the continuing rapid growth of the inmate population has the potential for creating a "gridlock" in the Federal criminal justice system. This crisis would threaten the safety of staff, inmates, and the general public while at the same time seriously impairing the Department's ability to achieve its high priority law enforcement objectives.

During 1988, the Federal Prison System projects that the average daily population will continue to grow from 42,432 in 1987 to at least 44,878 in 1988. The 1988 budget request includes $10,322,000 for subsistence and related support costs for the projected increase of 2,446 in institution average daily population.

In addition, 786 positions, 304 workyears and $34,495,000 is requested to activate two new Federal Correctional Institutions in Marianna, Florida and Fairton, New Jersey; the Los Angeles, California Metropolitan Detention Center; and new housing units at three existing institutions. These new facilities will provide an additional capacity of 2,328 beds for the Federal Prison System.

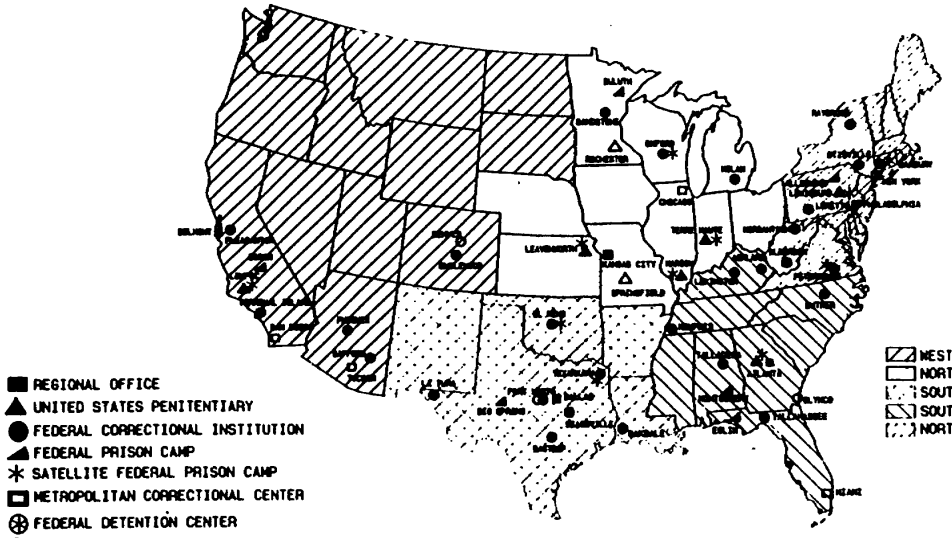
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The request also includes $10,291,000 to further expand contract confinement programs including expansion of the Contract Community Treatment Center (CTC) program from an average daily population of 3,050 to 3,775 offenders and a proposal for a private sector firm to house 500 short-term sentenced illegal aliens for six months in FY 1988. A benefit of contracting for the confinement of Federal prisoners in non-Federal facilities, provided that space is available, is that contract based population results in a reduction to FPS institution based population and thus reduces overcrowding.

The request also includes $2,917,000 to continue important ADP automation activities; $1,378,000 to replace vehicles that exceed Federal Property Management Regulations replacement criteria; and $400,000 to expand medical training.

During the last five years, the Bureau of Prisons basic workload "input" -- Federal offenders -- has increased by 75 percent while staffing levels have grown by only 23 percent. This achievement has only been possible by major increases in staff productivity achieved through automation, utilization of security technology and a general management philosophy of "work harder and smarter."

FEDERAL PRISON SYSTEM



- REGIONAL OFFICE
- UNITED STATES PENITENTIARY
- FEDERAL CORRECTIONAL INSTITUTION
- FEDERAL PRISON CAMP
- SATELLITE FEDERAL PRISON CAMP
- METROPOLITAN CORRECTIONAL CENTER
- FEDERAL DETENTION CENTER
- US MEDICAL CENTER
- FPS TRAINING CENTER

- WESTERN REGION
- NORTH CENTRAL REGION
- SOUTH CENTRAL REGION
- SOUTHEAST REGION
- NORTHEAST REGION

As of May, 1986.

Federal Prison System

Salaries and expenses

Justification of Proposed Changes to the Appropriation Language

The 1988 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For expenses necessary for the administration, operation, and maintenance of Federal penal and correctional institutions, including purchase (not to exceed [forty, of which thirty] one hundred forty-two of which one hundred six are for replacement only) and hire of law enforcement and passenger motor vehicles; [$598,807,000]: Provided, That there $760,851,000 may be transferred to the Health Resources and Services Administration such amounts as may be necessary, in the discretion of the Attorney General, for direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions [:Provided further, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year].

(18 U.S.C. 3050, 3059, 3651, 4001, 4002, 4007, 4008, 4011, 4041, 4042, 4081, 4082, 4253, 4281, 5015; Department of Justice Appropriations Act, 1987; as included in Public Laws 99-500 and 99-591, section 101(b) additional authorizing legislation to be proposed.)

[For an additional amount for "Salaries and expenses", $28,000,000.]

Omnibus Drug Supplemental Appropriations Act of 1987.

Explanation of Changes:

The 1988 proposed authorization language provides for a general purchase price limitation for uniforms, eliminating the need for similar appropriation language.

Federal Prison System

Salaries and expenses

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional Action on 1987 Request			1987 Supplementals Requested		1987 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Program	Pay & MERS	Pos.	WY	Amt.
Inmate Care, Custody and Programs:											
Inmate Care	1,621	1,615	$133,287	...	...	$10,836	...	$3,190	1,621	1,615	$147,313
Institution Security	4,619	4,423	127,692	400	300	9,563	...	6,870	5,019	4,723	144,125
Unit management	1,261	1,216	45,683	...	...	284	...	1,954	1,261	1,216	47,921
Inmate programs	645	644	32,959	...	...	774	...	1,051	645	644	34,784
Subtotal	8,146	7,898	339,621	400	300	21,457	...	13,065	8,546	8,198	374,143
Institution Administration and maintenance:											
Institution administration	1,328	1,317	72,430	...	...	2,584	...	5,342	1,328	1,317	80,356
Staff training	63	68	8,102	...	...	...	...	125	63	68	8,227
Institution maintenance	846	814	85,058	...	...	2,659	...	1,437	846	814	89,154
Subtotal	2,237	2,199	165,590	...	...	5,243	...	6,904	2,237	2,199	177,737
Contract Confinement	69	76	56,762	...	...	...	...	124	69	76	56,886
Program Direction:											
Executive direction and control	223	247	11,353	...	...	...	...	464	223	247	11,817
Administrative services	182	195	25,481	...	...	1,300	$548	428	182	195	27,757
Subtotal	405	442	36,834	...	...	1,300	548	892	405	442	39,574
Total	10,857	10,615	598,807	400	300	28,000	548	20,985	11,257	10,915	648,340

Explanation of Analysis of Changes from 1987 Appropriation Request

Congressional Appropriation Actions

The Congress provided $28,000,000 for Salaries and Expenses in the Omnibus Drug Supplemental Appropriation of 1987. Of this amount, $21,000,000 is for the care and custody costs associated with the increase in the number of inmates in Federal penal institutions and $7,000,000 is for 400 additional correctional officer positions to handle the substantial increase in the number of inmates in Federal prisons expected as a result of the additional investigative and prosecutive resources provided.

Supplementals Requested

1. The supplemental for $548,000 is for increased Federal Telecommunications System costs.

2. The Pay MERS request provides $3,932,000 to meet fifty percent of the increased pay requirements pursuant to P.L. 99-500 and $17,053,000 to implement the Federal Employees Retirement System Act of 1986, P.L. 99-335.

Federal Prison System

Salaries and Expenses

Summary of Requirements
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Department of Justice Appropriations Act, 1987	10,857	10,615	$599,807
Omnibus Drug Supplemental Appropriations Act of 1987	400	300	28,000
1987 as enacted	11,257	10,915	626,807
Supplementals Requested:			
1987 Pay and FERS Supplemental requested	...	...	20,985
1987 Program supplemental requested	...	...	548
1987 appropriation anticipated	11,257	10,915	648,340
Transfer of the Financial and Administrative System Support Group	...	...	210
Uncontrollable increases	...	109	54,838
Decreases (automatic non-policy)	...	...	-2,340
1988 base	11,257	11,024	701,048

	1986 Actuals			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Estimates by budget activity															
1. Inmate care, custody and programs	8,141	7,518	$313,505	8,546	8,198	$374,143	8,546	8,305	$408,294	9,149	8,547	$435,482	603	242	$27,188
2. Institution administration and maintenance	2,254	2,280	152,874	2,237	2,199	177,737	2,237	2,201	189,927	2,420	2,263	209,334	183	62	19,407
3. Contract Confinement	71	78	53,759	69	76	56,886	69	76	59,145	69	76	69,436	...	...	10,291
4. Program direction	410	461	29,206	405	442	39,574	405	442	43,682	405	442	46,599	...	...	2,917
Total	10,876	10,337	549,344	11,257	10,915	648,340	11,257	11,024	701,048	12,043	11,328	760,851	786	304	59,803

Federal Prison System

Salaries and Expenses

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1986 Enacted			1986 Actuals			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate care, custody and programs:																		
Inmate care.....	1,634	1,621	$125,123	1,634	1,439	$123,578	1,621	1,615	$147,313	1,621	1,615	$156,890	1,726	1,654	$171,323	105	39	$14,433
Institution security.....	4,600	4,389	125,383	4,600	4,357	123,666	5,019	4,723	144,125	5,019	4,828	160,839	5,368	4,971	166,411	349	143	5,572
Unit management..	1,260	1,202	39,608	1,260	1,134	39,098	1,261	1,216	47,921	1,261	1,218	52,686	1,345	1,254	57,378	84	36	4,692
Inmate programs..	647	641	28,078	647	588	27,163	645	644	34,784	645	644	37,879	710	668	40,370	65	24	2,491
Subtotal.....	8,141	7,853	318,192	8,141	7,518	313,505	8,546	8,198	374,143	8,546	8,305	408,294	9,149	8,547	435,482	603	242	27,188
Institution administration and maintenance:																		
Institution administration.	1,335	1,319	69,563	1,335	1,397	69,358	1,328	1,317	80,356	1,328	1,318	86,439	1,446	1,360	95,222	118	42	8,783
Staff training...	64	68	7,463	64	80	7,449	63	68	8,227	63	68	8,995	66	68	9,890	3	...	895
Institution maintenance....	855	821	77,928	855	803	76,067	846	814	89,154	846	815	94,493	908	835	104,222	62	20	9,729
Subtotal.....	2,254	2,208	154,954	2,254	2,280	152,874	2,237	2,199	177,737	2,237	2,201	189,927	2,420	2,263	209,334	183	62	19,407
Contract confinement.	71	78	48,244	71	78	53,759	69	76	56,886	69	76	59,145	69	76	69,436	...	...	10,291
Program direction:																		
Executive direction and Control.....	225	249	11,613	225	255	11,433	223	247	11,817	223	247	13,083	223	247	13,083	...	...	...
Administrative Services.....	185	197	17,990	185	206	17,773	182	195	27,757	182	195	30,599	182	195	33,516	...	...	2,917
Subtotal.....	410	446	29,583	410	461	29,206	405	442	39,574	405	442	43,682	405	442	46,599	...	...	2,917
Total.....	10,876	10,585	550,953	10,876	10,337	549,344	11,257	10,915	648,340	11,257	11,024	701,048	12,043	11,328	760,851	786	304	59,803

Federal Prison System

Salaries and Expenses

Summary of Resources by Program (cont.)
(Dollars in thousands)

Estimates by Program	1986 as Enacted			1986 Actuals			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Other Workyears:																		
Holiday		217			272			226			226			227			1	
Overtime		295			323			269			269			274			5	
Total compensable workyears		11,097			10,932			11,410			11,519			11,829			310	
Reimbursable workyears		127			127			127			127			127			...	
Total workyears		11,224			11,059			11,537			11,646			11,956			310	

Federal Prison System

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Inmate Care, Custody and Programs	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate Care	1,621	1,615	$147,313	1,621	1,615	$156,890	1,726	1,654	$171,323	105	39	$14,433
Institution Security	5,019	4,723	144,125	5,019	4,828	160,839	5,368	4,971	166,411	349	143	5,572
Unit Management	1,261	1,216	47,921	1,261	1,218	52,686	1,345	1,254	57,378	84	36	4,692
Inmate Programs	645	644	34,784	645	644	37,879	710	668	40,370	65	24	2,491
Total	8,546	8,198	374,143	8,546	8,305	408,294	9,149	8,547	435,482	603	242	27,188

This budget activity includes the cost of all food; medical care; clothing; linens; security; welfare services; release clothing, transportation and gratuities; housing unit furnishings; academic; social and occupational education courses; leisure time programs; and religious and psychology services. Also included are the salaries and other expenses of Health Resources and Services Administration commissioned officers stationed in FPS facilities.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate Care	1,621	1,615	$147,313	1,621	1,615	$156,890	1,726	1,654	$171,323	105	39	$14,433

Long-Range Goal: To provide offenders incarcerated in the Federal Prison System with a nutritional diet; comprehensive, accessible high-quality health care services; clean clothing, footwear, linens, toiletries and stationery; and to properly manage the Inmate Trust Fund.

Major Objectives:

Continue providing three nutritional meals daily including provisions for medical and religious diets.

Continue cost-effective farm operations to supplement food purchased from local sources.

Maximize the use of surplus foods from the Commodity Credit Corporation.

Professionally analyse food service programs for nutritional adequacy.

Continue to provide current level health care services in all institutions, which include promotion of good health practices, prevention of diseases and disability, inpatient and outpatient treatment, medical rehabilitation services and health education.

Continue to provide 24-hour or 16-hour (camps require 16-hour coverage) medical coverage, as appropriate.

Meet and/or maintain other medical accreditation requirements in all institutions.

Acquire an adequate supply of clothing, footwear, linens, toiletries and stationery items for distribution to the inmate population.

Maintain laundry and clothing issue/return operations.

Maintain the Inmate Trust Fund.

Base Program Description: Institution food menus are prepared on a 35-day cycle, balanced for variety and adequate nutrition. The basis for the menu is the "standard ration" which consists of appropriate levels of the fifteen major food categories including beef, pork, and other meats; fats; starches; milk and cheese; eggs; sweets; beverages; potatoes and other roots; leafy green and yellow vegetables; tomatoes; dried beans; peas or nuts; fresh, canned and dried fruits; and adjuncts. Special medical and religious diets are included in the menu. Meal preparation is accomplished primarily by inmate workers under the supervision of trained civilian staff. Nearly 10 percent of the total inmate population work in the food service program.

Farm operations are conducted at two institutions. The Federal Correctional Institutions at Lompoc, CA and El Reno, OK utilize available land resources in the limited production of beef and milk. Farm products are consumed at the producing institution and are also shipped to nearby institutions to offset their need to purchase some products on the open market.

Medical services are delivered at the institution level by a variety of professional and para-professional health care personnel including physicians, physician assistants, nurses and dental staff. Within 14 days of admission, all inmates receive a complete physical examination including a chest x-ray and, if indicated, a psychiatric evaluation. This physical examination provides an accurate physical, dental, and mental appraisal of the inmate. Medical staff conduct sick call five days a week which includes examination of

1290

patient complaints, ordering and assessment of diagnostic tests and implementation of a medical treatment plan. Inmates in segregation units are seen at least once during each 24-hour period by a physician assistant. Inmates with complaints during other than normal working hours or on weekends and holidays are seen by medical staff on-duty or on-call. If an inmate has a health condition which is beyond the professional capability of the institution's medical staff, the inmate is referred to a contract physician or hospital in the community or one of the Bureau's medical referral centers.

The Medical Center for Federal Prisoners (MCFP) at Springfield, Missouri is the major medical referral center for the Federal Prison System. Four additional regional medical referral centers within the FPS health care delivery system are:

1. FCI, Butner, NC - referrals are male psychiatric cases mainly from the Northeast and Southeast Regions.
2. FCI, Lexington, KY - referrals are female medical and psychiatric cases nationwide and male medical cases primarily from the Northeast and Southeast Regions. Also, selected chronic (disabled, handicapped, geriatric) cases are referred to Lexington on a nationwide basis.
3. FCI, Terminal Island, CA - referrals of both male and female medical, surgical, and psychiatric (for male inmates) cases are made primarily from the Western Region.
4. MCFP, Rochester - referrals are medical and psychiatric cases nationwide.

The U.S. Public Health Service (PHS) provides personnel in support of the FPS medical program. In addition, agreements with the Veterans Administration (VA) provide for the utilization of VA medical facilities on a referral basis. Medical, surgical, and rehabilitative services which were not available in FPS hospitals, are provided to inmates through contract arrangements with community hospitals and/or governmental health facilities.

The Federal Prison System maintains an inventory of clothing, footwear, toiletries, linens and writing supplies for issue to all inmates during incarceration. Clean clothing and linens are issued weekly in exchange for clothing and linens to be laundered. A laundry operation is maintained to clean all clothing and linens. All services are performed with inmate labor under staff supervision.

In addition, FPS maintains an Inmate Trust Fund account for all monies on deposit for each inmate. Monthly inmate earnings received for work with Federal Prison Industries, performance pay, and money from family, friends or other sources during visits or via the mail are deposited directly to each inmate's account. Inmates can withdraw funds when needed to make purchases from the commissary, send money to family members, pay for legal services or pay for supplies to participate in programs such as college courses or leisure activities.

Accomplishments and Workload: Actual and estimated accomplishments of the Inmate Care Program are presented in the following tables:

Item	1985	1986	Estimates 1987	1988
Food and Farm Services:				
Total cost in thousands	$44,207	$49,759	$59,059	$67,267
Meals provided	101,502	117,024	127,296	134,634
Percent of Recommended Dietary Allowance	100%	100%	100%	100%
Cost per inmate per day	$3.57	$3.49	$3.81	$4.10
Number of farms operated	2	2	2	2
Value of farm products produced in thousands	$1,616	$1,366	$1,423	$1,473

Item (Con't)	1985	1986	Estimates 1987	1988
Medical Services				
Total cost in thousands	$53,227	$56,511	$75,640	$89,158
Outpatient visits	1,069,452	1,101,763	1,198,718	1,267,027
Inpatient admissions	6,224	7,550	8,214	8,683
Complete physical exams	52,998	53,538	58,249	61,569
Vision refractions	12,340	12,066	13,128	13,876
Laboratory tests	828,780	968,646	1,053,887	1,113,943
Surgical procedures (institution)	9,484	11,692	12,721	13,446
X-rays	78,836	86,084	93,659	98,997
Consultant visits (institution and community)	73,388	157,116	170,942	180,683
Dental visits	178,596	198,400	215,859	228,160
Dental exams	38,376	42,600	46,349	48,990
Dental Procedures	98,948	125,000	136,000	143,750
Other Inmate Services:				
Total cost in thousands	$10,151	$11,294	$12,614	$14,898
Supply of clothing/footwear	172,468	198,856	216,275	228,693
Supply of linens	253,876	292,719	318,360	336,640
Laundry manhours	13,113	15,119	16,442	17,388
Inmate Trust Fund collections ($ in 000's)	$35,676	$56,968	$61,981	$65,513
Inmate Trust Fund disbursements ($ in 000's)	$29,020	$54,486	$59,281	$62,659

The Federal Prison System (FPS) continues to provide three nutritional meals daily. These meals are certified for nutritional adequacy by registered dieticians and are well within the Recommended Dietary Allowances of the Department of Agriculture's National Research Council. The cost per inmate per day decreased in 1986 by $.08 from $3.57 in 1985 to $3.49 in 1986.

In addition, FPS continues to provide offenders with adequate, comprehensive, accessible, and high quality health care services. The FPS has 24-hour or 16-hour medical coverage, as appropriate, at all of its institutions and the MCFP, Springfield, Missouri, and the FCI's Lexington, KY, Butner, NC and Terminal Island, CA have maintained accreditation by the Joint Commission on Accreditation of Hospitals. With funding approved in 1985, the FPS acquired the former state mental hospital in Rochester, Minnesota for use as a medical/psychiatric referral center. The facility is now 67 percent operational.

The FPS also continues to provide inmates with clean clothing, footwear, toiletries, linens, writing supplies during incarceration and continues to maintain the Inmate Trust Fund. During 1986, the Inmate Trust collected $56,967,575 for deposit in inmate accounts and disbursed a total of $54,486,029, an increase of 60 and 88 percent respectively over the 1985 level.

Program Changes: The request includes $5,015,000 to provide for a projected increase in the average daily population of 2,446 from 42,432 in 1987 to 44,878 in 1988. Within this amount, $2,417,000 is for food supplies, $2,048,000 is for medical services and supplies and $550,000 is for clothing, footwear, bedding, toiletries, etc. In addition, 105 positions, 39 workyears and $9,418,000 are included in this level to provide resources to activate new facilities in 1988 as follows:

Facility	Estimated Activation Date	Food and Farm Service Pos.	WY	Amount (in 000's)	Medical Services Pos.	WY	Amount (in 000's)	Other Inmate Services Pos.	WY	Amount (in 000's)
Marianna, FL FCI (750 beds)	5/88	13	5	$891	16	7	$1,970	2	2	$388
Fairton, NJ FCI (550 beds)	9/88	10	1	542	14	1	1,190	2	...	273
Los Angeles, CA MDC (588 beds)	5/88	9	4	597	30	12	1,641	1	...	254
Oakdale, LA Cuban Unit (250 beds)	10/87	...	...	197	1	1	566	...	...	96
Englewood, CO Detention Unit (90 beds)	10/87	3	3	174	2	2	259	...	...	34
Marion, IL Camp Expansion (100 beds)	3/88	...	...	78	2	1	230	...	...	38

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Institution Security	5,019	4,723	$144,125	5,019	4,828	$160,839	5,368	4,971	$166,411	349	143	$5,572

Long-Range Goal: Provide institution security, inmate control, and inmate supervision to assure maximum protection for the community, staff, and inmates consistent with program requirements in all FPS facilities.

Major Objectives:

Reduce or minimize the situations and opportunities which can lead to prohibited acts such as escapes, homicides, assaults, suicides, and drug transactions.

Maintain an effective transportation system for prisoners in conjunction with the U.S. Marshals Service.

Meet correctional standards in all institutions.

Base Program Description: All institutions are assigned a security classification based in part on the physical design of each facility. There are six security level classifications, number one being the least restrictive and number six the most restrictive. Offenders are assigned a custody status which relates to the degree of supervision needed, and from a security and custody standpoint, are assigned to an institution. The result is a grouping of offenders with similar custodial needs in an institution.

Within each institution, correctional officers are assigned to security posts which are primarily established on the basis of structural/visual considerations. Supervision of inmates is provided in living units, visiting areas, dining halls, recreation areas, and any other area where inmates may be located or have access to. The two basic categories of security are perimeter security and internal security. Perimeter security consists of a walled or fenced perimeter supplemented by manned gun towers, razor tape concertia wire strung between a double fence, high mast lighting to illuminate the perimeter, perimeter patrols and highly technical equipment such as alarm systems and video surveillance. Entrances through the perimeter are controlled by a series of gates, both electrical and manual, supplemented by metal detection systems and search procedures for weapon and contraband control.

For all practical purposes, all other security measures, processes and activities can be called internal security, which commences when an inmate is committed and terminates upon his/her release. Included within this process are both metal detection and physical search procedures and intake screening to insure the safety of newly committed offenders within the general population. Medical screening is also accomplished to protect the general population from disease and health hazards.

To monitor inmates, regularly scheduled counts are conducted several times a day in all institutions. Work supervisors and program personnel are held strictly accountable for all inmates under their supervision. Violations of institution regulations are dealt with through the Inmate Disciplinary Process. Correctional staff investigate the incident, prepare a report and submit it to the Unit Discipline Committee, which usually consists of a unit manager, case manager and a correctional counselor. Depending on the seriousness of the charge, the Unit Committee may hear and decide the case or refer it to the Institution Discipline Committee for hearing and decision. There is an administrative remedy process for appealing decisions of the Committee.

Administrative Detention/Disciplinary Segregation are programs for separation from the general population of offenders who require special protection and for those who pose a serious escape risk or threat to the security and orderly operation of the institution. Disciplinary Segregation provides segregation of offenders who have committed serious prohibited acts within the institutional setting. Inmates are held in segregation only after a due process hearing where the inmate is given the opportunity to rebut the charge against him.

Much staff time is consumed in the monitoring of identified members of prison "gangs" such as the Mexican Mafia, Aryan Brotherhood, Nuestra Familia, Black Guerilla Family and Texas Syndicate, organizations whose constitutions advocate violence, drug trafficking, sexual activities and theft. If these groups can be controlled, then they will be unable to realize their goals within the institution.

In coordination with the United States Marshals Service, the Federal Prison System maintains a prisoner transportation system including the transportation of Witness Security inmates.

Assaults, escapes and other prohibited acts are normally a violation of Federal statutes requiring FBI investigation and referral to the U.S. Attorney's Office for a determination whether or not to prosecute. Prosecution of these incidents enhance staff, inmate, and public safety. Successful prosecution frequently hinges on the initial response and handling of the crime scene and subsequent procedures by institution staff. This requires a highly trained, educated, and professional team of correctional officers.

1294

Accomplishments and Workload: Actual and estimated accomplishments of the Institution Security program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Average daily population	33,834	39,008	42,432	44,878
Successful confinement rate	98.4%	98.4%	98.5%	98.5%
Incapacitation rate	99.3%	99.4%	99.5%	99.5%
Security staff coverage rate	85.6%	93%	100%	100%
Overcrowding	33%	40%	46%	44%

The successful confinement rate is the percent of those inmates who will not be involved in assaults, homicides and suicides. The incapacitation rate is the percent of inmates confined who will not escape. As illustrated in the above table, FPS continues to minimize the situations and opportunities which lead to prohibited acts. In 1986, only one percent of the FPS average daily population were involved in assaults, homicides, suicides and escapes.

To minimize opportunities for the commission of prohibited acts, FPS has established staffing guidelines for its facilities as a result of an ongoing full-field review which considers the institution's security level, posts and rated capacity. The security staff coverage rate is the percent of institution posts such as front entrance, control room, housing units, segregation/detention, visiting room, perimeter security activities areas, etc., that can be covered with available staff (workyears). Covering all posts improves security and is a factor in reducing the incidents of negative inmate behavior. The Omnibus Drug Supplemental Appropriation of 1987 included funding for 400 additional correctional officer positions, which will satisfy current staffing guidelines. However, it should be noted that the current staffing guidelines and security staff coverage rate are based on an institution operating with an inmate population at or substantially near the capacity for which the facility was designed. FPS facilities are expected to be 44 percent over designed capacity in 1988.

In order to improve our ability to properly classify offenders and protect staff and inmates alike, FPS developed and implemented a new security designation and classification system. Since 1980, when the system was fully implemented, there have been declining rates of inmate on inmate as well as inmate on staff assaults. This system results in a security level classification of every inmate and institution from security level one, the lowest security level, to level six, the highest. The purpose of the system is to send inmates to the least restrictive facilities that provides appropriate security. This significantly reduces the mixing of predatory and non-predatory offenders.

During 1986, the prisoner transportation system handled approximately 82,000 moves. In addition, 198 Witness Security cases were relocated without incident.

Program Changes: The request includes $377,000 to provide for security supplies associated with a projected Federal inmate population increase of 2,446 from 42,432 in 1987 to 44,878 in 1988.

The request also includes 349 positions, 143 workyears and $5,193,000 to provide resources to activate new facilities in 1988 as follows:

Facility	Estimated Activation Date	Resources Pos.	WY	Amount (in 000's)
Marianna, FL FCI (750 beds)	5/88	106	44	$1,672
Fairton, NJ FCI (550 beds)	9/88	91	8	611
Los Angeles, CA MDC (588 beds)	5/88	101	42	1,422
Oakdale, LA Cuban Unit (250 beds)	10/87	38	38	1,104
Englewood, CO Detention Unit (90 beds)	10/87	8	8	250
Marion, IL Camp Expansion (100 beds)	3/88	5	3	136

Notwithstanding the critical level of overcrowding, this budget requests no additional staff for the institution security program at existing institutions.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Unit Management	1,261	1,216	$47,921	1,261	1,218	$52,686	1,345	1,254	$57,378	84	36	$4,692

Long Range Goal: To establish a safe, humane environment which minimizes to the extent possible, the detrimental effects of confinement; and to provide a variety of counseling programs which are most likely to aid inmates in a successful adjustment to the institution and, upon release, a successful return to the community.

Major Objectives:

Subdivide the inmate population into small well-defined and manageable groups whose members develop a common identity from close association with each other and their unit staff.

1296

Increase the frequency of contacts and improve relations between staff and inmates resulting in: a) better communication and understanding between individuals; b) more individualized classification and program planning; c) more valuable program reviews and program adjustments; d) better observation of inmates, enabling early detection of problems before they reach critical proportions; e) development of common goals which encourage unit cohesiveness; f) a more positive living and work atmosphere for staff and inmates; and g) more efficient accountability and control of inmates.

Ensure that decisions regarding inmates are made by staff most closely associated with those inmates, increasing the quality and swiftness of the decisions.

Provide program flexibility so that programs promote behavorial changes.

Provide opportunities for individual and group counseling in each unit.

Provide drug abuse programs for inmates who have the need and motivation to participate.

Base Program Description: The purpose of the Unit Management program is to improve inmate control and establish healthy relationships between staff and inmates by dividing the large institution population into smaller, more manageable groups. A team of multi-disciplinary staff who have administrative and supervisory authority in most institutional aspects of programming and living are permanently assigned and located in the unit to work with the inmates. This places services closer to the users and permits decision-making by those who are most knowledgeable of the inmates and their programs. The increased interaction between inmates and staff enhances communication and understanding of inmate needs to a level not possible in a centralized correctional environment. The program is carried out through the proper classification of inmates and development of inmate programs on the basis of need and motivation.

Accomplishments and Workload: Actual and estimated accomplishments of the Unit Management program are presented in the following table:

Item	1985	1986	Estimates 1987	1988
Average Daily Population	33,834	39,008	42,432	44,878
Number of Units	168	182	186	199
Counseling Hours	436,208	451,584	461,629	478,561
Initial Classification Studies	18,307	19,327	19,807	22,374
Study & Observation Reports	677	708	733	770
Transfer Reports	11,694	12,106	12,406	12,586
CRC Referral Reports	7,480	7,744	7,936	8,697
Furloughs Processed	17,189	17,795	18,236	18,724
Releases	23,266	24,802	26,172	27,327

The Federal Prison System has virtually met its goal of establishing functional unit management in most of its major facilities. Recently, however, it has become necessary in some instances to return to a centralized management system or to administratively combine two units into one larger unit under the supervision of one unit manager. This action results from a system wide security staff shortage due to increasing population levels. There are a total of 182 functional units in FPS institutions including 28 drug abuse programs.

FPS continues to use the Security Designation System to place each individual inmate in an institution with the Security Level most appropriate for that inmate. Institutions are rated from Security Level 1 (minimum security) to Security Level 6 (maximum security). Once an inmate is placed in the proper institution, the Unit Management system provides further opportunity for an even more refined inmate classification scheme, which places an inmate in a specific unit which has security and programs most appropriate for that inmate.

Program Changes: The request provides an additional $408,000 for contract services and supplies associated with the projected population increase of 2,446 from 42,432 in 1987 to 44,878 in 1988. In addition, this level includes 84 positions, 36 workyears and $4,284,000 to activate or expand this program at the following facilities scheduled for completion during 1988:

Facility	Estimated Activation Date	Resources Pos.	WY	Amount ($ in 000's)
Marianna, FL FCI (750 beds)	5/88	28	12	$1,493
Fairton, NJ FCI (550 beds)	9/88	22	2	896
Los Angeles, CA MDC (588 beds)	5/88	19	8	995
Oakdale, LA Cuban Unit (250 beds)	10/87	7	7	488
Englewood, CO Detention Unit (90 beds)	10/87	5	5	245
Marion, IL Camp Expansion (100 beds)	3/88	3	2	167

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate Programs	645	644	$34,784	645	644	$37,879	710	668	$40,370	65	24	$2,491

This budget activity finances the costs of academic, social and occupational education courses, leisure time activities and religious and psychology services.

Long Range Goal:

Provide general and occupational education opportunities to all inmates desiring or required to participate;

1298

Provide Federal offenders with a full range of recreation and leisure activities to improve their physical and mental health and promote the development of personal, interpersonal and social skills to better enable them to cope with the psychological and physical impact of their incarceration;

Provide all prisoners with reasonable and equitable opportunities to pursue individual religious beliefs and practices within the constraints of confinement and;

Provide immediate and long-term psychological care for Federal inmates with mental health problems and assist in the decision making of the courts, prison administrators and parole officials.

Major Objectives:

Provide education programs designed to meet inmate needs for functional literacy, high school equivalency, continuing education, and personal growth and to enhance their employability upon release.

Maintain education program certification or accreditation by regional Associations of Colleges and Schools or other appropriate accrediting agencies.

Expand institutional library services to meet ACA standards by establishing inter-library loan agreements; by utilizing mobile or rotating library collections; and/or by directly providing adequate library services.

Increase involvement of institution-based psychology staff in identifying learning disabled inmates and assist instructional staff to select the appropriate teaching methods and techniques to be used.

Provide a variety of indoor and outdoor physical, cultural, and related leisure activities with opportunities to belong to social and other groups.

Increase the number of institutions which have Artists-In-Residence.

Make available the appropriate worship services of the various religious disciplines represented within the inmate population.

Provide a variety of non-worship religious program options.

Provide psychological screening for every inmate admitted to the FPS.

Establish base rates of incidence of the different types of mental health problems found in the inmate population.

Provide psychotherapy to all inmates who desire and need it.

Provide crisis intervention counseling to every inmate in crisis.

Provide psychological evaluations requested by the courts, parole officials, and prison administrators.

Continue special treatment programs in drug abuse and alcohol abuse units.

1299

Base Program description: Inmate programs include general and occupational education courses, leisure time activities and religious and psychology services.

General education programs are designed to meet specific inmate needs for functional literacy, high school equivalency, continuing education, and personal growth. There are five major components of the general education program: Adult Basic Education (ABE), General Education Development (GED), Adult Continuing Education (ACE), Postsecondary Education (PSE) and Social Education.

The ABE component is designed for the 25 percent of the inmate population having less than an eighth grade education. The GED component is for the nearly 50 percent of Federal offenders who lack a high school diploma and consists of high school equivalency courses and general equivalency diploma examinations. ACE Courses are designed for inmates who have a desire to "brush up" in a special area or enroll in a special interest program, e.g., speed reading, English, mathematics, contemporary issues, history and foreign language. PSE courses are for inmates who have successfully completed high school and want to further their education, e.g., drafting, real estate, data processing, and dental technology. The Social Education component helps inmates develop a positive self-image and adequate social skills.

Occupational education programs serve to enhance the employability of offenders upon release, particularly those who either lack a solid employment history or a saleable skill. The majority of Federal offenders are unskilled at the time of commitment to prison. Federal offenders can choose a vocation, through instruction, work experiences, and career orientation; acquire or improve productive work skills and habits; and gain practical knowledge essential to working and functioning in a complex industrial-technical world of work. Approximately 15,000 Federal offenders will have the opportunity to participate in these training activities through the following five major components of the occupational education program: Exploratory Training, Pre-industrial Training, Vocational Training, On-the-Job Training and Apprentice Training.

Exploratory training involves study of industries and occupations for a general knowledge of the world of work rather than specific skill development. Pre-industrial training is short-run training for a targeted job in prison industries. Vocational training includes instruction and training in specific entry-level or advanced skills. On-the-Job training consists of organized instruction and training under actual working conditions in institution service and maintenance shops and Federal Prison Industries' factories. Apprentice training provides journeyman level instruction and training through structured apprenticeship programs approved at the state and national levels by the Bureau of Apprenticeship and Training, U.S. Department of Labor.

A wide variety of leisure time activities are offered at each Federal prison including indoor and outdoor individualized (weightlifting, jogging, etc.) and group (basketball, touch football, volleyball, etc.) athletic activities and arts and crafts (ceramics, painting, drama, leathercraft, music, etc.). Chess and bridge clubs are organized in many institutions; inmate drama groups put on plays and, at times, write their own plays; and inmate bands in country, rock and soul music perform concerts for the inmate population. Movies and invited guest performances are scheduled as frequently as possible.

Chaplaincy personnel within FPS are responsible for personally delivering the religious services of their particular faith group and for arranging the delivery of religious services of other faith groups. FPS annually issues approximately 250 contracts for the delivery of services of the smaller faith groups and other related religious services. FPS Chaplains also recruit, train, supervise, and sustain approximately 2,500 volunteers from the community who regularly visit the institution to participate in the religious programming. FPS

staff Chaplains, contract Chaplains and volunteer clergy routinely conduct over 12,000 religious worship services each year representing the various religious disciplines within the prisoner population. In addition to worship services, chaplaincy personnel offer numerous other religious program options including counseling services for family crises, marriages, deaths, illnesses, pregnancies, abortions and marital problems. Bible and Koran studies, moral growth seminars, group counseling, retreats, revivals, choirs, marriage enrichment programs, parenting seminars, cursillos, etc., are offered weekly. In an average institution, there are usually about 325 non-worship meetings annually.

Staff Chaplaincy visit at least once weekly inmates who are confined without freedom of movement in areas such as segregation and the hospital. In addition, visits are made to the visiting room, housing units, work assignment areas, and to prisoners confined to community hospitals and jails. Staff Chaplaincy coordinate numerous community-based religious activities for prisoners which include furloughs and day trips for seminars, retreats, workshops, religious education courses, prayer meetings, religious holiday observances, and special worship experiences.

Psychology staff are an integral part of correctional treatment administering programs of group and individual psychotherapy, crisis intervention, personal development classes, and staff consultation/training. Policy requires that every inmate admitted to a FPS facility be given an initial psychological screening which consists of psychological testing, psychological interviews, social history review, and behavorial observation. The purposes of the screening are to identify special treatment and/or referral needs; provide information useful in future crisis-counseling situations; identify strengths as well as potential adjustment problems to imprisonment; and discuss possible program needs with the inmates and provide information about them. The Minnesota Multiphasic Personality Inventory (MMPI) is the psychological screening test used. The results of the screening are summarized in a report placed in both the inmate's central file and the psychological file.

Both individual and group psychotherapy is offered on a voluntary basis to those inmates who express a desire and evidence need for it. Training and orientation programs are also offered for developing "life competency skills". These have proven successful in improving personal skills and knowledge including communication, assertiveness, self-image, interpersonal relationships, conflict resolution, problem solution and work skills. Short-term crisis counseling has only recently been acknowledged by mental professionals as a powerful, viable skill. Not only have FPS psychologists gained expertise in this area, but they also have provided training and consultation to staff in all institutions. FPS psychologists have traditionally provided the courts, parole officials and prison administrators with quality psychological evaluations. Many of these presentence evaluations have resulted in the diversion of offenders from the institution to the community.

Accomplishments and Workload: Actual and estimated accomplishments of this program are presented in the following table:

			Estimates	
Education:	1985	1986	1987	1988
Enrollments				
Adult basic education	10,241	11,229	12,217	12,913
Adult continuing education	10,519	11,228	12,216	12,912
General education development	5,538	5,322	5,790	6,120
Social education	13,092	15,086	16,414	17,349
Post secondary education	12,809	11,510	12,523	13,237
Occupational education	15,254	20,687	22,507	23,790

1901

	1985	1986	Estimates 1987	1988
Completions:				
Adult basic education	5,267	5,209	5,667	5,990
Adult continuing education	5,786	6,054	6,587	6,962
General education development	2,648	2,320	2,524	2,668
Social education	9,561	10,395	11,310	11,954
Post secondary education	7,377	5,948	7,559	6,840
Occupational education	8,090	11,366	12,366	13,071
Religious Services:				
Worship	12,000	12,000	12,000	13,000
Non-worship programs (represent monthly totals)	15,500	15,500	15,500	16,500
Psychology Services:				
Court evaluations	1,628	1,877	2,042	2,159
Routine evaluations	32,064	36,970	40,208	42,517
Individual therapy sessions	31,300	36,089	39,250	41,504
Group therpy sessions	9,008	10,386	11,296	11,945
Participants in group therapy	26,017	29,998	32,625	34,499
Crisis intervention sessions	24,580	28,341	30,823	32,593
Staff training sessions	4,110	4,739	5,154	5,450
Unit team meetings	9,210	10,619	11,549	12,212

All inmates except those specifically exempt, e.g., detained aliens, who function below the 8.0 grade level are now enrolled in an ABE program. In addition, the total number of GED tests administered during 1986 was approximately 3,800. PSE programs continue to have one of the highest retention rates of all education programs in the Federal facilities and completion rates in college courses are in excess of 50%. In 1985, Federal prisoners earned approximately 133 college degrees, 113 AA's and 20 BA's (data not yet available for 1986).

Education services at the Federal Correctional Institutions (FCI's) Alderson, WV; Danbury, CN; Lompoc, CA; Milan, MI; Morgantown, WV; Oxford, WI; Pleasanton, CA; Sandstone, MN and Terminal Island, CA, Terre Haute, IN; the Federal Prison Camp, Boron, CA and Safford, AZ; Tallahassee, FL; United States Penitentiaries (USP) Lewisburg, PA and Leavenworth, KS; and the Medical Center for Federal Prisoners at Springfield, MO are now accredited by the regional commissions of colleges and schools. In addition, accreditation procedures are in progress at several other institutions.

Apprenticeship programs have been expanded to 310 training units in 79 different trade classifications at 32 institutions. In 1986, 725 inmates enrolled in apprenticeship programs and 276 completed the institution-scheduled portion of the program. Uniform curriculum performance standards were established for Adult Basic Education, machine shop and welding vocational courses. Computer assisted instruction was implemented at the FCI's Ashland, KY; Ft. Worth, TX; Oxford, WI; Seagoville, TX; Terminal Island, CA and USP Lewisburg, PA. A total of 16 institutions now have computer assisted instruction.

FPS continues to provide 100 percent of the psychological screening for every inmate admitted to FPS, the psychological evaluations requested by the courts, and the crisis intervention counseling. In addition, the base rates of incidence of mental health disorders have been established using a centralized MMPI scoring and data collection system.

Program Changes: In 1988, FPS projects an average daily population of 44,878, an increase of 2,446 over the 1987 estimate of 42,432. Included in the request level is $699,000 to provide supplies and contract services for the increased population as follows: Education, $387,000; Leisure Activities, $191,000; Religious Programs, $75,000; and Psychology Services, $46,000.

In addition, 65 positions, 24 workyears and $1,792,000 are requested to permit the activation of new facilities scheduled in 1988 as follows:

Facility	Estimated Activation Date	Education Program			Leisure Program			Religious Program			Psychology Program		
		Pos.	WY	Amount (in 000's)	Pos.	WY	Amount (in 000's)	Pos.	WY	Amount (in 000's)	Pos.	WY	Amount (in 000's)
Marianna, FL FCI (750 beds)	5/88	15	6	$372	4	2	$190	2	1	$46	4	2	$84
Fairton, NJ FCI (550 beds)	9/88	14	1	147	3	...	108	1	...	10	3	...	16
Los Angeles, CA MDC (588 beds)	5/88	4	2	169	2	1	119	1	...	25	5	2	97
Oakdale, LA Cuban Unit (250 beds)	10/87	1	1	91	2	2	98	1	1	46	1	1	50
Englewood, CO Detention Unit (90 beds)	10/87	...	...	22	1	1	42	...	...	2	...	...	2
Marion, IL Camp Expansion (100 beds)	3/88	1	1	37	...	...	15	...	...	2	...	...	2

Activity: Institution Administration and Maintenance	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Institution Administration	1,328	1,317	$80,356	1,328	1,318	$86,439	1,446	1,360	$95,222	118	42	$8,783
Staff Training	63	68	8,227	63	68	8,995	66	68	9,890	3	...	895
Institution Maintenance	846	814	89,154	846	815	94,493	908	835	104,222	62	20	9,729
Total	2,237	2,199	177,737	2,237	2,201	189,927	2,420	2,263	209,334	183	62	19,407

This budget activity covers all costs associated with the general administration, operation and maintenance of facilities. Included are functions of the warden's office, legal counsel, personnel, financial management, records office, safety, staff training, mechanical services, motor pool operations, power house operations and other administrative functions.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Institution Administration.....	1,328	1,317	$80,356	1,328	1,318	$86,439	1,446	1,360	$95,222	118	42	$8,783

Long Range Goal: To continue to provide effective and innovative administration at all institutions and continually seek ways to improve existing administrative practices and procedures.

Major Objectives:

Provide executive direction and control at each institution.

Manage each institution's financial resources.

Assemble and maintain an effective workforce and administer personnel policies.

Maintain effective procedures for the processing and disposition of Federal offenders.

Maintain standards for safe and healthy working/living conditions.

Base Program Description: The Institution Administration program consists of an institution's executive staff, financial management office, personnel office, administrative systems office and safety office.

The executive staff at each institution including wardens, associate wardens and executive assistants provide overall direction and implement policies.

The financial management office is charged with the management and control of all allotted funds with responsibility for procurement, property management, warehousing, issuing supplies, equipment, contracting for services, disbursement and collection of monies and collection and input of all data for the automated accounting system and employee payroll.

The personnel office in assembling and maintaining an effective workforce, advertises all vacancies, collects applications, establishes promotion boards and prepares a list of eligibles. The personnel office ensures that all position descriptions are current and accurate. It serves as the management representative to the union, develops manpower plans for institutions and plays a major role in recruiting minorities to meet Equal Employment Opportunity goals.

The administrative systems office is responsible for the processing of detainers and the admission, transfer, sentence computation for and discharge of all Federal prisoners. The admission process entails the identification of inmates, review of court documents, fingerprinting, photographing, and disposition of personal property. Following admission, the administrative systems office performs sentence computation, which involves adjustments due to U.S. Parole Commission action, Institution Disciplinary Committee actions and good time. This office also maintains relationships with Federal, state and local law enforcement agencies, including the courts and parole boards regarding the criminal status of incarcerated and released inmates. Administrative systems staff work with the U.S. Marshals Service and Federal Prison System bus and airlift personnel to coordinate prisoner transfers and consolidate all inmates' records.

In addition, the administrative systems office provides paralegal services such as answers to show cause orders; determinations in sentence computation problems; interpretations of court orders; representation of the institution in court matters pertaining to inmate records; and providing expert testimony regarding sentence computation. The office is also responsible for the processing of all institution mail.

The safety program involves the inspection of institutions for sanitation, rodents, unsafe working conditions and presence of hazardous chemicals. The safety officer is responsible for processing accident reports and compensation forms for employees.

Accomplishments and Workload: Actual and estimated accomplishments for the Institution Administration program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Purchase Orders	95,614	98,482	101,437	104,480
Accounting Transactions	1,686,208	1,736,794	1,788,898	1,842,565
Payments	295,461	304,325	313,455	322,858
Commitments Processed	22,968	27,836	28,461	29,244
Transfers in Processed	11,694	13,307	13,846	14,348
Other Movement in (Furloughs, Writs, etc.)	75,518	87,288	90,394	93,402
Discharges	11,633	12,595	13,009	13,149
Transfers Out	19,191	23,356	25,305	26,836
Other Movement Out	75,677	87,043	88,546	91,037
Personnel Actions (internal placement)	25,000	25,000	25,000	25,000
Safety Inspections	2,900	2,900	2,900	2,900
Accident/Injury Investigations	2,250	1,800	1,800	1,800
Fire Investigations	289	290	290	290

FPS continues the use of the Financial Management Information System (FMIS) which provides management instant information with regard to funds and established limitation levels.

The merit promotion plan is being revised to identify knowledge, skills, and abilities for each position. Applicants will be measured against the established requirements prior to selection. Action has been taken to align employees with position standards. Also, urinalysis testing and height/weight standards have improved vouchering techniques for the selection of new employees. A urinalysis program for FPS employees is being developed and will be implemented during 1987. New procedures have been implemented to improve and to add consistency to the interviewing process. Affirmative action continued at a vigorous rate. The FPS work force at year end was 41 percent minority including 22 percent female.

Administrative systems workload (number of new commitments, releases, bus runs, airlifts, etc.) continue to remain at a high level with no decrease projected in the near future.

Program Changes: This request provides $272,000 for the additional inmate record supplies and equipment resulting from a projected population increase of 2,446 from 42,432 in 1987 to 44,878 in 1988. This request also includes 118 positions, 42 workyears, and $8,511,000 to activate or expand this program at the following facilities scheduled for completion during 1988:

Facility	Estimated Activation Date	Resources Pos.	WY	Amount (in 000's)
Mariana, FL FCI (750 beds)	5/88	41	17	$2,888
Fairton, NJ FCI (550 beds)	9/88	33	3	2,270
Los Angeles, CA MDC (588 beds)	5/88	37	15	2,671
Oakdale, LA Cuban Unit (250 beds)	10/87	3	3	359
Englewood, CO Detention Unit (90 beds)	10/87	3	3	195
Marion, IL Camp Expansion (100 beds)	3/88	1	1	128

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Staff Training	63	68	$8,227	63	68	$8,995	66	68	$9,890	3	...	$895

Long-Range Goal: To communicate current policies and procedures to all staff and to teach them the skills and techniques necessary to maintain a safe, secure and productive correctional environment.

Major Objectives:

Provide three weeks introductory and correctional training for all new staff and advanced correctional classes for experienced employees.

Provide job specialty training including executive/management classes.

Instruct trainers.

Provide institution-based operations training for all staff.

Base Program Description: Staff training is being provided on site at each of the institutions; at three residential training centers; through external training provided by the Office of Personnel Management and other Federal agencies; by colleges and universities; and by private agencies.

The Federal Prison System operates a training academy at Glynco, Georgia which provides three weeks of introductory correctional training for all new employees. This modern facility accommodates up to forty-eight students. The training academy facilities include housing for the students, rifle ranges, and adequate space for firearms, self-defense, and disturbance control training. Course materials are organized and written and provide instruction on abnormal behavior, community programs, counseling systems, the dynamics of prejudice, equal employment opportunity, employee conduct and responsibility, employee stress management, escapes, fire prevention, first aid, correctional practices, inmate discipline, interpersonal communications, and legal issues.

Most of the FPS's meetings, workshops, and conferences are held at the management and specialty training center in Denver, Colorado.

This center can house thirty-five students at costs substantially less than they would be at a motel. The center conducts a wide range of courses for supervisors and program managers and also trains trainers for the institutions' locally conducted courses. These include courses for equal employment opportunity counselors, unit managers, correctional counselors, correctional supervisors, medical records technicians, hospital administrative officers, case managers, and industrial mid-managers. The training center offers courses for required instructor certification in firearms, self-defense, disturbance control, and interpersonal communications.

The Federal Prison System also operates a Food Service and Trust Fund Training Center at the Federal Correctional Institution (FCI), Fort Worth, Texas.

Of necessity, most training must be conducted on site at the institutions. Each institution has a Training Coordinator who plans, manages, and organizes the institution's training programs. Certain institution-conducted courses are required by national policy. For example, each new employee must be given one week of orientation training immediately upon entry on duty. Each experienced employee must be given correctional refresher training each year in such subjects as self-defense, disturbance control, firearms, fire protection, and inmate supervision. Each new case manager and unit manager must complete a self-study course in case management operations within sixty days of appointment. Each new employee of Federal Prison Industries attends an industrial familiarization course on the first day of duty. In addition, new employees must complete an industrial operations course within thirty days after entry on duty; a quality improvement course within four months and an introduction to Federal Prison Industries course within six months.

Accomplishments and Workload: Actual and estimated accomplishments for the Staff Training program are presented in the following table:

Item	1985	1986	Estimates 1987	1988
External Training Provided	2,403	2,455	2,492	2,700
STC Training Provided	2,445	2,449	2,473	3,473
MSTC Training Provided	1,323	1,400	1,500	1,550
Internal Training Provided	27,704	28,523	29,093	30,293

Program Changes: In 1988, the request includes 3 positions and $495,000 to provide training at the following facilities scheduled for completion during 1988.

Facility	Estimated Activation Date	Resources Pos.	WY	Amount (in 000's)
Marianna, FL FCI (750 beds)	5/88	1	...	$146
Fairton, NJ FCI (550 beds)	9/88	1	...	130
Los Angeles, CA MDC (588 beds)	5/88	1	...	140
Oakdale, LA Cuban Unit (250 beds)	10/87	...	...	42
Englewood, CO Detention Unit (90 beds)	10/87	...	...	16
Marion, IL Camp Expansion (100 beds)	3/88	...	...	19

The request also includes $400,000 for Continuing Medical Education (CME). CME includes studies and training activities designed to enable professional and paraprofessional medical personnel to maintain the skills and knowledge to stay current with the rapid advances in medical science. The request covers approximately one-third of the Bureau's total CME requirement.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Institution Maintenance	846	814	$89,154	846	815	$94,493	908	835	$104,222	62	20	$9,729

Long-Range Goal: Continue preventive maintenance program, provide continuous service of all utilities in the most energy efficient manner, and provide transportation services in support of institutional operations.

Major Objectives:

Purchase utilities or maintain and operate utility systems and central power plants.

Maintain and operate telecommunication and transportation services.

Maintain the interior of all buildings such as plumbing, electronics, masonry, mechanics, carpentry and painting.

Maintain the exterior of all buildings including landscaping, gardening, fence repair and painting.

Base Program Description: The Institution Maintenance Program addresses the problem of maintaining and operating the physical plants of the Federal Prison System (FPS).

These facilities vary in age from 100 years to buildings recently constructed. Over fifty (50) percent of the facilities are more than 30 years old which is the expected life of buildings without major repairs.

The facilities are situated on approximately 31,000 acres and the buildings contain approximately 16 million square feet of floor area, all of which must be maintained and furnished utility services. Additionally, this program provides maintenance and operation of approximately 900 vehicles.

These facilities contain complex heating and air conditioning systems, large, high pressure steam power plants, large quantities of sophisticated hospital equipment, emergency electrical power systems and fire protection and life safety systems. Each institution maintains communication systems including complete private automatic branch exchange telephone systems, radio systems including base station and mobile units and several electronic detection and control systems.

Institution maintenance requirements are identified through facilities inspections conducted as part of the on-going preventive maintenance program; through formal semi-annual inspections; and through requests for specific needs identified by institution staff members. This program provides for maintenance projects estimated to cost $4,000 or less. Maintenance requirements in excess of $4,000 are included in the "Modernization and Repair" program of the "Buildings and Facilities" appropriation.

The work within this program is accomplished almost entirely by inmate crews under staff supervision. Each work crew consists of a staff foreman and between five and fifteen inmates. Each institution must have staff with experience and training in each phase of construction and maintenance work. Highly skilled work foremen are required in several trades such as steamfitters, air conditioning mechanics and electronics repairmen. A few specific jobs are contracted out because special skills or equipment items are required, or because the work may be extremely dangerous. Examples of these jobs are elevator inspection and repair, radio frequency alignment, and water tower painting.

Accomplishments and Workload: Actual and estimated accomplishments of the Institution Maintenance program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Major maintenance projects completed ($200-$4,000)	903	929	933	952
Minor maintenance projects completed ($200 or less)	130,739	134,465	135,054	137,927
Power plants operated	30	30	30	32
Energy Consumption:				
Electricity (KWH)	242,514,391	249,426,051	250,517,366	256,028,748
Natural Gas (cu ft)	1,813,315,802	1,882,508,302	1,873,155,223	1,914,364,638
#2 Fuel Oil (gal.)	1,358,073	1,396,778	1,402,809	1,433,671
#6 Fuel Oil (gal.)	503,860	518,220	520,487	520,487
Coal (Tons)	13,008	13,379	13,438	13,438
Propane (gal.)	1,143,724	1,176,549	1,181,702	1,181,702
Purchased Steam (lbs.)	4,327,420	4,451,616	4,471,114	4,471,114
Purchased Chilled Water (Ton Hours)	912	938	942	942
Vehicle miles driven	8,723,884	8,974,259	9,013,566	9,205,344

Program Changes: The request includes an increase of $3,551,000 for utilities, trash removal, and maintenance supplies commensurate with a projected population increase from 42,432 in 1987 to 44,878 in 1988. The request also includes $1,378,000 to replace vehicles. Past budgets have contained only minimal funding for vehicle replacement and have not permitted the Bureau to establish a program of regular systematic vehicle replacement. As a result, the Bureau has come to rely unduly on acquiring vehicles through surplus property listings. The result is frequently uneconomical and the practice should be abandoned. Currently, the Bureau has a fleet of 943 vehicles, 106 of which meet or exceed Federal Property Management Regulations replacement criteria. The request will fund the purchase of 106 replacement vehicles or 15 percent of the total fleet. (This compares with the allowable GSA replacement rate of 25 percent providing replacement criteria are met.)

In addition, this level includes 62 positions, 20 workyears and $4,800,000 to activate or expand this program at the following facilities scheduled for completion during 1988:

Facility	Estimated Activation Date	Resources Pos.	WY	Amount ($ in 000's)
Marianna, FL FCI (750 beds)	5/88	22	9	$1,882
Fairton, NJ FCI (550 beds)	9/88	22	2	892
Los Angeles, CA MDC (568 beds)	5/88	16	7	1,417
Oakdale, LA Cuban Unit (250 beds)	10/87	1	1	349
Englewood, CO Detention Unit (90 beds)	10/87	1	1	146
Marion, IL Camp Expansion (100 beds)	3/88	...	...	114

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Contract Confinement	69	76	$56,886	69	76	$59,145	69	76	$69,436	...	...	$10,291

This budget activity provides for the care of federal offenders in contract facilities. Funds for this activity also support the contract development and monitoring activities of the Community Program Managers.

Long Range Goal: To provide, through contract, high quality and diversified state, local and private facilities to house all offenders requiring confinement outside the Federal Prison System (including Community Treatment Centers).

Major Objectives:

Place all offenders committed under the provisions of the Juvenile Justice and Delinquency Prevention Act of 1974 in appropriate non-federal juvenile facilities.

Place juveniles near their homes and in community-based facilities wherever possible.

House those offenders who are in danger in Federal institutions, in state correctional institutions or other facilities.

House offenders with sentences of up to 180 days or less in local detention facilities.

Provide community residential resources to all FPS releasees deemed eligible and appropriate for release to a Community Treatment Center (CTC).

Monitor contract Community Treatment Centers annually.

Provide training for all contractors annually.

Provide accurate and timely information to the Central Inmate Monitoring and Witness Protection tracking system.

Keep the Federal law enforcement agencies aware of changes in FPS policy, sentencing alternatives and other areas of concern.

Maintain close relationships with state and local correctional agencies to exchange information and manage resources.

Provide individual case management services to inmates confined in contract facilities.

Base Program Description: While FPS has a large number and variety of correctional institutions in which to provide for the care and custody of Federal offenders, there are certain categories of offenders who are confined in state, local and private facilities. These include persons committed under the Federal Juvenile Justice and Delinquency Prevention Act, who must be separated from adult offenders as well as placed in community-based facilities near their residence whenever possible; adult offenders, whose lives might be endangered in Federal facilities (protection cases); and offenders with short sentences (generally 180 days or less) who are placed in local detention facilities (jails) for service of sentence.

In addition, FPS contracts with State, local and private community treatment centers for community residential bedspace for offenders; who are eligible and need a pre-release transition program at the end of their sentences before returning to the community; who the Federal courts determine need more than probation and less than full institution confinement and services; who are under probation or parole supervision but need more intensive services and/or programs than can be provided under the "street" supervision of the U.S. Probation Officer; and who are committed directly from court generally serving short sentences. Contract CTCs provide services to inmates attempting to establish themselves as fully functioning citizens while still under supervision. Available services include individual and group counseling, supervised living quarters, employment and placement assistance.

Community Programs Managers (CPM's) negotiate and monitor contracts for the boarding of Federal offenders in State and local institutions and in private residential community treatment centers.

The CPM's also make recommendations for designation of newly sentenced offenders and are responsible for the placement of direct commitments to non-Federal facilities. They provide case management services to all Federal inmates placed in non-Federal institutions and serve as technical consultants to contractors on FPS Policy.

In addition, CPM's serve as the FPS liaison with members of the U.S. Marshals Service, U.S. Probation Service, U.S Parole Commission, Federal courts, other Federal agencies, state and local government agencies and local community agencies. There are presently 41 CPM's stationed in 31 major cities throughout the United States.

72-995 O—87——42

Accomplishments and Workload: Actual and estimated accomplishments for this program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Number of contracts with juvenile facilities	36	30	30	30
Number of contracts with adult facilities	39	40	40	40
Number of contracts with jails	340	335	375	385
Number of contracts with community treatment centers	330	340	350	360
Contract monitoring:				
Major use facility	56%	65%	65%	65%
Minor use facility	82%	80%	80%	80%
Designations	28,417	33,730	36,000	39,000
Average daily population:				
Juveniles	95	87	90	90
Adult Offenders	172	126	110	110
Short Termers	834	1,240	1,500	1,750
Contract Community Treatment Centers	2,754	3,046	3,050	3,775
Number of Federal inmates admitted to non-Federal facilities:				
Juveniles	60	57	58	58
Adult Offenders	110	134	100	100
Short Termers	5,130	8,409	10,000	12,075
Number of Federal inmates admitted to Contract Community Treatment Centers:				
Pre-Releasees Admitted	7,635	8,405	8,450	9,100
Court Referrals Admitted	1,408	1,466	1,470	1,575
Probation/Parole Referrals Admitted	2,546	2,568	2,600	2,800
Average Length of Stay in CTCs (days)	100	100	105	105
Resources by Program Element:				
Community Program Management	$3,040	$2,887	$3,929	$4,362
Contract State and local institutions	$14,674	$18,293	$20,019	$23,408
Contract Community Treatment Centers	$29,180	$32,579	$32,938	$41,666

Since 1977, with only minor exceptions, the FPS has been able to place all juveniles in non-Federal juvenile facilities. During 1986, FPS contracted for the confinement of an average daily population of 87 juveniles. Roughly 24 percent of the juveniles are placed in community-based facilities and 27 percent are confined in their state of residence which enhances the opportunity to use available community resources and increases opportunities for visits from relatives and friends. In addition, FPS used adult state correctional institutions to house an average daily population of 126 adult Federal prisoners who needed protection and those who had special needs. We believe this action has prevented some deaths and assaults and has allowed these inmates to live in the general population and participate in programs. This program also allows approximately 8,409 short term offenders (or an average daily population of 1,240) to remain in their home community, near families and friends. It also saves the Government transportation expenses to and from a Federal institution.

Since January 1982, the FPS has increased the number of inmates confined in contract CTCs from 948 to approximately 3,200 today. To maintain this average daily population throughout 1987 will require additional resources. FPS is currently reviewing funding alternatives. Currently the FPS is providing community residential programs to 84% of all FPS releasees deemed eligible and appropriate for release to a CTC for an average length of stay of 100 days. Community Programs Managers continue to closely monitor CTC placements to insure maximum utilization of CTC bed space within funds available.

In early 1986, FPS initiated the Special Curfew Parole Program. Inmates still serving their sentences in a CTC have their parole advanced up to 60 days, and are released with a special supervision of home curfew. There are currently 150 people in this program.

During 1987, FPS will implement a pilot project called the Community Control Program in two districts, Southern Florida and Central California. Inmates who are CTC eligible will have their parole date advanced up to 120 days and will go directly into the community from the institution, where they will be monitored electronically by the U.S Probation Office.

An added benefit of contracting for the confinement of Federal prisoners in non-Federal facilities is that contract based population results in a reduction to FPS institution based population and thus reduces overcrowding. For example, in 1986, confinement of Federal prisoners in contract facilities reduced institution based population by 10.3 percent.

Program Changes: The request includes $7,591,000 to increase the average daily population in contract Community Treatment Centers from 3,050 to 3,775 offenders, an increase of 725 (the equivalent of one Federal Correctional Institution with a satellite camp). To further expand the use of the private sector, the request includes $2,700,000 to contract to house approximately 500 short term sentenced aliens for six months in FY 1988.

Activity: Program Direction	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction and Control....	223	247	$11,817	223	247	$13,083	223	247	$13,083	...	...	...
Administrative Services.....	182	195	27,757	182	195	30,599	182	195	33,516	...	...	$2,917
Total.....	405	442	39,574	405	442	43,682	405	442	46,599	...	...	2,917

This budget activity covers the costs of regional and central office executive direction and management support functions such as the executive staff, regional and central office program managers, research and evaluation, program analysis, budget development, policy development and implementation, system support, financial management, personnel, ADP, space management, and legal services.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction and Control....	223	247	$11,817	223	247	$13,083	223	247	$13,083	...	...	...

Long Range Goal: To continue providing effective, comprehensive direction and leadership to the Federal Prison System (FPS) by coordinating, initiating and evaluating planning and operational activities through the various central office branch chiefs, regional office program managers and the executive staff.

Major Objectives:

Establish and enunciate policy.

Provide legal counsel on correctional issues.

Plan, develop, coordinate, and evaluate FPS programs and activities.

Investigate alleged employee misconduct.

Maintain capabilities to respond effectively to public and congressional inquiries.

When necessary and appropriate, assist state correctional systems, the District of Columbia Department of Corrections, the U.S. Marshals Service, the Immigration and Naturalization Service and other jurisdictions experiencing difficulty by housing their offenders.

Assist state and local governments in their efforts to acquire surplus Federal property for correctional use.

Have all Federal institutions as well as Central and Regional Offices accredited by the Commission on Accreditation for Corrections.

Base Program Description: The overall administration of the Federal Prison System is located in the central office and five regional offices. The following describes the organization and functions of these offices.

The Executive Staff which plays a major role in FPS management and operations, includes the Director, all Assistant Directors, Medical Director, Associate Commissioner for Federal Prison Industries, and all Regional Directors. The Executive Staff reviews all major issues and determines major policy for the FPS.

The General Counsel provides legal assistance and advice to the Federal Prison System including adjudication of grievances and appeals filed under the FPS's EEO program; review of FOIA requests; final appeal on Administrative Remedy Procedures; coordination of litigation; interpretation of laws and directives; review of policy and procedures for legal implications; and other legal assistance as necessary.

The Assistant Director for Correctional Programs is responsible for programs for the care, custody and correction of inmates including institution security, inmate custody, case management, unit management, chaplaincy and psychology services, staff training and community programs. He is also responsible for the function of personnel management.

The Director of the Medical Services Division is responsible for establishing a systemwide health care program. The Medical Director is also responsible for the FPS's farm operations, food services, inmate compensation programs, and safety and sanitation.

The Assistant Director for Administration is responsible for the Bureau's construction and mechanical services activities for new and existing facilities; program planning and evaluation; research; budget development; financial management; and information systems.

The Associate Commissioner for Federal Prison Industries, Inc. (FPI) reports directly to the Director and to the Federal Prison Industries Board of Directors. The Associate Commissioner is responsible for FPI Industrial Operations and Corporate Management and educational and leisure programs.

The Office of Inspections is responsible for investigating violations of standards of professional conduct by employees and officers of the Federal Prison System, for providing overall guidance in program auditing and for monitoring the correctional standards/accreditation review process.

Accomplishments and Workload: Actual and estimated accomplishments for the Executive Direction and Control program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Policy Statements Issued	50	52	54	57
Change Notices	75	75	75	75
Operations Memoranda	315	320	320	323
Public Affairs Reports and Requests	4,725	5,000	5,000	5,100
Congressional Inquiries	5,000	5,250	5,250	5,350
Tort Claims	2,000	2,150	2,250	2,340
FOIA/Privacy Act Cases	5,175	5,675	6,175	6,500
Administrative Remedy Cases	20,000	20,000	20,000	20,250
EEO Cases	90	95	95	96
Investigations of Alleged Violation of Standards of Professional Conduct	178	169	180	182

Accomplishments: Since January 1981, FPS has experienced a dramatic 75 percent growth from 23,783 inmates to approximately 41,500 inmates. This current population is housed in facilities which are rated for a capacity of 27,785, resulting in a 13,715 bed deficit or an overcrowding rate of almost 50 percent. While the population has grown by 75 percent, staff grew by only 23 percent indicating significant productivity gains systemwide.

The FPS continues to lend assistance to many state correctional systems experiencing difficulty by housing their offenders. Currently, there are approximately 650 state offenders in FPS facilities. In addition to state prisoners, there are approximately 2,500 from the District of Columbia and approximately 250 territorial prisoners serving sentences in Federal Prisons. To assist the U.S. Marshals Service in housing unsentenced Federal prisoners due to their inability to renew or negotiate contracts with state and local jails because of overcrowding, the FPS has established or expanded jail units for pre-trial detainees at several institutions including the Bastrop, Terminal Island, Memphis, Milan and Talladega Federal Correctional Institutions and the Metropolitan Correctional Centers at Chicago, Miami, New York, San Diego and Tucson. There are approximately 2,600 pre-sentence detainees in FPS facilities. In addition, at the request of the Immigration and Naturalization Service, the FPS also is housing approximately 2,100 Cuban refugees.

Re-accreditations of several institutions were postponed during 1986 due to the effect of the Gramm-Rudman-Hollings reductions. To date, 38 institutions have been accredited by the Independent Commission on Accreditation for Corrections for three year terms. The re-accreditation process is to resume early in 1987.

During 1986, the Office of Research and Evaluation completed major reports on the impact of the Youth Corrections Act on the Bureau, recidivism among federal offenders, the impact of a low security institution on the surrounding communities, issues facing correctional officers at a federal penitentiary, recent modifications of the Bureau's inmate classification system, and a program-oriented study of the female population at Morgantown. Studies continued on post-release employment and its relation to institution training, measuring the social climate in institutions based on surveys of inmates and staff, and substance abuse program evaluation. Projects were initiated on the effectiveness of three different roles for disciplinary hearing officers, the quality improvement process in prison industries, evaluation of the model of imprisonment at Rochester, and the effects of incarceration on inmates.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative Services.....	182	195	$27,757	182	195	$30,599	182	195	$33,516	...	...	$2,917

Long Range Goal: Provide for effective personnel administration including equal employment opportunity; an efficient and responsive financial management system including procurement and property management; and systems support administration and oversight.

Major Objectives:

Increase the rate of hiring minorities and women to ensure their representation in the workforce.

Increase the number of minorities and women promoted to management and supervisory positions.

Review local labor contracts as they are negotiated assuring compliance with master agreement prior to approval.

Complete analysis of all Merit System Protection Board and arbitration decisions of the past 12 months to determine patterns and identify potential problems.

Provide current and accurate financial management information.

Place more emphasis on cost center management (primarily through training) to ensure greater program manager involvement in the management of funds.

Conduct financial management reviews at all institutions.

Continue to implement SENTRY multi-terminal systems as required.

Improve system-wide service and teletype telecommunication system.

Base Program Description: The central and five regional offices are responsible for the functions of personnel management; maintenance of equal employment opportunity; medical services; financial management, including procurement and property management; and ADP services, records management, mail, printing, reproduction, and space management.

Personnel administration is largely regulated by the government-wide merit system and requires considerable planning and coordination with both the Department of Justice and the Office of Personnel Management. Coordination is necessary with colleges, high schools, civic groups, public and private groups and organizations in order to recruit an efficient work force. Increased hiring of minorities and women is accomplished through recruitment campaigns, visits to colleges and universities and other similar programs. EEO specialists have been placed in each region in order to help carry out this program.

Training is provided to appropriate personnel in labor/management relations and arbitration. Provisions of newly negotiated Master Agreements and local supplemental agreements are communicated widely to increase employee involvement, particularly field employees, in the process. Merit System Protection Board and arbitration cases are reviewed and analyzed to provide more thorough insight into labor/management policy problems.

Financial Management provides for the design, development, and implementation of financial systems and the maintenance and continuous analysis, evaluation and modification of existing systems to ensure compliance with statutory and regulatory requirements and to meet the administrative needs of the FPS. Financial Management establishes property accounting, cost-based budgeting practices and suitable internal control procedures; and develops and provides financial reports on the fiscal status, financial results of operations, and the cost of the FPS's operations. Financial Management is also responsible for the development of the FPS's financial operating plans and the administration of funds appropriated to the FPS. Financial audits are conducted to ensure field compliance with policies and regulations. These audits are scheduled to accomplish a financial review of each field location every 18 months.

The Property Management and Procurement functions are also the responsibility of Financial Management. This includes procurement responsibility for all services and supplies; the administration of regulations for all procurement and personal property and administrative legal claims matters; and the review and interpretation of statutes and regulations of other government agencies relating to all phases of property management and procurement.

In addition, Financial Management is responsible for special inmate services (including commissary, inmate trust fund, and laundry). Commissary operations provide opportunities for inmates to purchase items above the necessities of life. Inmate trust fund operations account for all monies on deposit for each inmate. Laundry operations provide all inmates clean clothing, footwear and linens. Other inmate services include provisions for toiletries and writing supplies.

The FPS's batch inmate information system provides a variety of demographic information on the inmate population, but is of limited use because the information is not timely. For the past few years the FPS has been involved in the implementation of the SENTRY system, an on-line system which performs up-to-the minute locator status information on all individuals under the custody of the Attorney General. It provides population counts and refined inmate demographic statistics; interagency and intra-institution population movement, schedules, notices, and statistics; and it will automatically compute and update sentence computations. It will also provide base program data for other information modules under development or to be developed.

Accomplishments and Workload: Actual and estimated accomplishments for the Administrative Services program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Personnel Surveys	25	30	30	30
EEO Recruitment Activities	88	100	120	130
Representation of Women in the FPS Workforce - year end	47.3%	22%	24%	26%
Representation of Minorities in the FPS Workforce - year end	34.7%	41%	43%	45%
New Hires - Women	68.5%	35%	37%	39%
New Hires - Minorities	60.8%	44%	46%	48%
Promotion - Women	63.3%	23%	25%	27%
Promotions - Minorities	41.3%	28%	30%	32%
Arbitration Cases	85	80	80	80
Financial Management Reviews	16	28	30	32
SENTRY Average Daily Transactions (in thousands)	35	110	125	165

The most significant enhancement to the SENTRY System in 1986 was the installation of 40 circuits and two new front-end communications processors. Response time nationwide was improved significantly to an average of seven seconds and the SENTRY System grew to over 1,600 terminals. Minicomputers were installed in the Central Office and one institution to provide word processing and other office automation functions as well as access to the SENTRY System. A contract will be awarded in 1987 to install similar systems at other BOP locations.

FPS is currently developing an on-line Integrated Financial Management System. The system will replace the current batch system and will include accounting, procurement, and the Trust Fund operations.

FPS negotiated a new master contract between BOP and AFGE. The Correctional Officer Register continues to be operated by BOP based on delegation of authority from the Office of Personnal Management. Training was conducted for all field personnel offices in the recently developed workforce utilization program which utilizes the management of both workyears and positions.

Program Changes: Phase I of the Bureau's long range ADP plan to establish a distributive data processing system was funded in the 1987 Appropriation. The 1988 request will enable the Bureau of Prisons to complete the replacement of obsolete computer terminals from existing resources. New equipment will have local intelligence and multiple function capabilities including local programming and computing, local area network control of data forwarded and retrieved from the central data center, word processing, electronic mail, graphics, spreadsheets, etc.

Additional ADP support will be required in order to gain the full benefits and increased efficiencies of the new system. For 1988 we are requesting contract funds ($268,000) as follows:

- To support the new software capabilities associated with the mini-computers to provide end-user office automation capabilities and applications which run locally at each facility, but are common to all facilities. Some of these applications may require interface with SENTRY.
- To support the financial management applications to be added to SENTRY.
- To support operation of the mini-computers located in the Central Office and to provide diagnostic and remedial assistance to mini-computer users throughout the Bureau.

The increasing volume of SENTRY transactions (an 83 percent increase since 1984, from 90,000 to 165,000 daily transactions) will require an increase of $2.649 million for reimbursement to the Department of Justice Data Center.

1819

Federal Prison System

Salaries and Expenses

Justification of Multi-Activity Program Increases
(Dollars in thousands)

Estimates by Program	Population Increase	Activate Marianna, FL FCI			Activate Fairton NJ FCI			Activate Los Angeles MDC			Activate Oakdale, LA Detention Unit		
	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate care, custody and programs:													
Inmate care	$5,015	31	14	$3,249	26	2	$2,005	40	16	$2,492	1	1	$859
Institution security	377	106	44	1,672	91	8	611	101	42	1,422	38	38	1,104
Unit management	408	28	12	1,493	22	2	896	19	8	995	7	7	488
Inmate programs	699	25	11	692	21	1	281	12	5	410	5	5	285
Subtotal	6,499	190	81	7,106	160	13	3,793	172	71	5,319	51	51	2,736
Institution administration and maintenance:													
Institution administration	272	41	17	2,888	33	3	2,770	37	15	2,671	3	3	399
Staff training	...	1	...	146	1	...	130	1	...	140	...	...	42
Institution maintenance	3,551	22	9	1,882	22	2	892	16	7	1,417	1	1	349
Subtotal	3,823	64	26	4,916	56	5	3,292	54	22	4,228	4	4	750
Contract confinement	...	...	...	...	...	...	...	...	...	...	...	...	...
Program direction:													
Executive direction and control	...	...	...	...	...	...	...	...	...	...	...	...	...
Administrative services	...	...	...	...	...	...	...	...	...	...	...	...	...
Subtotal	...	...	...	...	...	...	...	...	...	...	...	...	...
Total	10,322	254	107	12,022	216	18	7,085	226	93	9,547	55	55	3,486

1820

Justification of Multi-Activity Program Increases (Con't)
(Dollars in thousands)

Estimates by Program	Activate Englewood, CO Detention Unit			Activate Marion, IL Camp Expansion			Other Requirements	Total		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Amount	Perm. Pos.	WY	Amount
Inmate care, custody and programs:										
Inmate care	5	5	$467	2	1	$346	...	105	39	$14,433
Institution security	8	8	230	5	3	136	...	349	143	5,572
Unit management	5	5	245	3	2	167	...	84	36	4,692
Inmate programs	1	1	68	1	1	56	...	65	24	2,491
Subtotal	19	19	1,050	11	7	705	...	603	242	27,188
Institution administration and maintenance:										
Institution administration	3	3	195	1	1	128	...	118	42	8,783
Staff training	...	...	18	...	...	19	$400	3	...	895
Institution maintenance	1	1	146	...	...	114	1,378	62	20	9,729
Subtotal	4	4	359	1	1	261	1,778	183	62	19,407
Contract confinement	...	...	...	...	...	...	10,291	...	...	10,291
Program direction:										
Executive direction and control	...	...	...	...	...	...	...	...	...	...
Administrative services	...	...	...	...	...	...	2,917	...	...	2,917
Subtotal	...	...	...	...	...	...	...	...	...	2,917
Total	23	23	1,389	12	8	966	14,986	786	304	59,803

1981

Population Increase. The 1987 appropriation enacted provides for a population of 42,432. The 1988 request includes an additional $10,322,000 to support the projected 1988 population level of 44,878 (an increase of 2,446 over what is provided for at the base level).

Activate Marianna, FL FCI. Construction of the 750-bed Federal Correctional Institution in Marianna, FL, which includes a 150-bed satellite camp, a Witness Security Unit and a Drug/Chemical Abuse Unit, is scheduled for activation in May 1988. This request will finance the activation and operation of the facility for five months during 1988.

Activate Fairton, NJ FCI. Construction of the 550-bed Federal Correctional Institution in Fairton, NJ is scheduled for completion in September 1988. This request will finance the activation and operation of the facility for one month during 1988.

Activate Los Angeles, CA MDC. Construction of the 388-bed Metropolitan Detention Center in Los Angeles, CA, which includes a 100-bed psychiatric unit, is scheduled for completion in May 1988. This request will finance the activation and operation of the facility for five months during fiscal year 1988.

Activate Oakdale, LA Detention Unit. Construction of the 250-bed Oakdale Cuban Unit is scheduled for activation in October 1987. This request will finance the activation and operation of the facility for twelve months during 1988.

Activate Englewood, CO Detention Unit. Construction of the 90-bed Englewood Detention Unit is scheduled for activtion in October 1987. This request will finance the activation and operation of the facility for twelve months during 1988.

Activate Marion, IL Camp Expansion. Construction of the 100-bed Camp Expansion is scheduled for activation in March 1988. This request will finance the activation and operation of the facility for seven months during 1988.

Other Requirements. The request includes $10,291,000 to increase contract confinement. Within this amount, $7,591,000 will enable the Bureau of Prisons to increase the average daily population in Contract Community Treatment Centers from 3,050 to 3,775 offenders, an increase of 725 and $2,700,000 will be used to to house approximately 500 short term sentenced aliens for six months.

The request also includes $400,000 for Medical training; $1,378,000 for vehicle replacement of 106 vehicles that exceed Federal Property Management Regulations replacement criteria; $268,000 for additional ADP support services; and $2,649,000 for Justice Data Center costs.

1922

Federal Prison System

Salaries and Expenses

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Inmate Care		Institution Security		Unit Management		Inmate Programs		Institution Administration	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades										
GS-15	18	$969	...	...	...	...	...	...	3	$161
GS-14	...	...	...	...	...	...	...	...	7	320
GS-13	3	116	...	...	...	...	13	$503	...	...
GS-12	6	195	3	$98	16	$521	8	261	12	391
GS-11	37	1,005	14	380	21	571	32	870	15	408
GS-10	3	74	...	...	...	...	...	...	...	...
GS-9	4	90	15	337	32	719	12	269	21	472
GS-8	1	20	66	1,342	...	...	...	...	...	...
GS-7	...	...	116	2,130	...	...	...	...	39	716
GS-6	7	116	135	2,230	...	...	...	...	10	165
GS-5	...	...	...	...	15	222	...	...	1	15
Ungraded	26	750	...	...	...	...	...	...	10	288
Total positions and annual rate	105	3,335	349	6,517	84	2,033	65	1,903	118	2,936
Lapse (-)	-66	-2,180	-206	-3,847	-48	-1,189	-41	-1,213	-76	-1,912
Workyears and compensation	39	1,155	143	2,670	36	844	24	690	42	1,024
Other personnel compensation	1	96	5	351	...	33	...	23	...	11
Total workyears and compensation	40	1,251	148	3,021	36	877	24	713	42	1,035
Personnel benefits		192		484		118		88		2,461
Travel and trans. of persons		18		77		74		...		245
Transportation of things		17		...		1		1		1,492
Comm, Util and Other Rents		26		...		...		23		...
Other services		2,053		210		99		519		1,848
Supplies and materials		4,112		87		27		340		398
Equipment		6,764		1,693		3,422		807		1,304
Grants, subsidies		...		...		74		...		...
Total workyears and obligations, 1987	40	14,433	148	5,572	36	4,692	24	2,491	42	8,783

Federal Prison System

Salaries and Expenses

Financial Analysis - Program Changes
(DOLLARS IN THOUSANDS)

Item	Staff Training		Institution Maintenance		Contract Confinement	Administrative Services	Tot.	
	Pos.	Amount	Pos.	Amount	Amount	Amount	Pos.	Amount
Grades								
GS-15	...	...	...	...	...	...	21	$1,130
GS-14	...	...	...	...	...	...	7	320
GS-13	...	...	...	...	...	...	16	619
GS-12	...	...	3	$98	...	...	48	1,564
GS-11	3	$82	...	...	...	...	122	3,316
GS-10	...	...	...	...	...	...	3	74
GS-9	...	...	...	...	...	...	84	1,887
GS-8	...	...	...	...	...	...	67	1,362
GS-7	...	...	...	...	...	...	155	2,846
GS-6	...	...	...	...	...	...	152	2,511
GS-5	...	...	...	...	...	...	16	237
Ungraded	...	...	59	1,702	...	...	95	2,740
Total positions and annual rate	3	82	62	1,800	...	...	788	18,606
Lapse (-)	-3	-58	-42	-1,278	...	...	-482	-11,627
Workyears and compensation	...	24	20	572	...	...	304	6,979
Other personnel compensation				12			6	326
Total workyears and compensation	...	24	20	584	...	...	310	7,305
Personnel benefits		4		75	...	...	...	3,422
Travel and trans. of persons		594		...	...	...	...	1,008
Transportation of things		...		...	...	...	...	1,511
Rental payments to others		...		...	...	...	...	...
Comm, Util and Other Rents		...		3,535	...	...	...	3,584
Other services		204		168	$10,291	$2,917	...	18,309
Supplies and materials		18		1,241	...	...	...	6,223
Equipment		51		4,126	...	...	...	18,167
Grants, subsidies		...		...	...	...	...	74
Total workyears and obligations, 1987	...	895	20	9,729	10,291	2,917	310	59,803

Federal Prison System

Salaries and expenses

Detail of Permanent Positions by Category
Fiscal Years 1986-1988

Category	1986 Authorized	1987 Authorized	1988 Program Increases	1988 Total
Attorneys (905)	10	10	...	10
Paralegal Specialist (950)	55	55	12	67
Other Legal and Kindred (900-998)	238	235	26	261
Correctional Institution Administration (006)	516	515	26	541
Correctional Officers (007)	5,063	5,484	375	5,859
Other Miscellaneous Occupations (001-099)	144	141	14	155
Social Sciences, Economics and Kindred (100-199)	707	705	48	753
Personnel Management (200-299)	221	219	12	231
General Admin Clerical and Office Services (300-399)	733	733	28	761
Biological Science (400-499)	1	1	...	1
Accounting and Budget (500-599)	348	346	22	368
Medical, Dental, and Public Health (600-799)	893	885	65	950
Engineering and Architecture Group (800-899)	22	22	...	22
Information and Arts Group (1000-1099)	2	2	...	2
Business and Industry Group (1100-1199)	81	79	7	86
Mathematics and Statistics Group (1500-1599)	1	1	...	1
Equipment, Facilities and Service Group (1600-1699)	207	205	17	222
Education Group (1410-1411; 1700-1799)	320	319	35	354
Supply Group (2000-2099)	52	52	3	55
Ungraded (culinary, farm, mechanical & construction)	1,262	1,248	96	1,344
Total	10,876	11,257	786	12,043
Washington	223	218	...	218
U.S. Field	10,653	11,039	786	11,825
Total	10,876	11,257	786	12,043

Federal Prison System

Salaries and expenses

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1987 as enacted	11,257	10,915	$626,807
Pay Supplemental requested	...	...	20,985
Program Supplemental requested	...	...	548
1987 appropriation anticipated	11,257	10,915	648,340
Adjustments to base:			
Transfer of the Financial and Administrative System Support Group	...	...	210
Uncontrollable increases:			
Annualization of the 1987 pay increase	...	...	7,837
Annualization of 1987 program increases	...	109	2,836
One additional compensable day	...	...	1,187
Within-grade increases	...	...	3,077
Federal Employee's Compensation Act (FECA) - Worker's Compensation	...	...	564
Annualization of Federal Employees' Retirement System Costs	...	...	28,931
Locality based per diem	...	...	589
GSA rent	...	...	507
GSA recurring reimbursable services	...	...	12
Federal Telecommunications services	...	...	292
Telephone service	...	...	32
GPO printing costs	...	...	8
Employee data and payroll services	...	...	424
General pricing level adjustment	...	...	8,542
Total, uncontrollable increases	...	109	54,898
Decreases:			
Nonrecurring activation costs	...	...	-246
Reductions for change in hourly rate	...	...	-737
Reduction in health benefits costs	...	...	-1,355
Reduction in per page costs of the Federal Register and the Code of Federal Regulations	...	...	-2
Total, decreases	...	...	-2,340
1988 Base	11,257	11,024	701,048

Federal Prison System

Salaries and Expenses

Justification of Adjustments to Base
(Dollars in thousands)

	Pos.	Work-years	Budget Auth.
Transfer of the Financial and Administrative Systems Support Group	...	...	$210

This represents the transfer of the Financial and Administrative Systems Support Group from the General Administration to the Working Capital Fund. The transfer of this group will place all of JMD financial, administrative systems support services on a user-reimbursable basis.

Uncontrollable increases:

1. Annualization of the 1987 pay increase	...	...	7,837

This request provides for the annualization of the January 4, 1987 pay increase. The calculation of the amount required for annualization is based on 68 paid days (October 1, 1986 through January 3, 1987) which were not included in the pay raise amount of $3,932,000. Additionally, $3,461,000 of the 1987 pay requirement was absorbed. Total annualization required is $7,837,000.

68/261 x pay raise amount for 1987	$4,376,000
1987 absorption of pay	3,461,000
Total annualization	2,837,000

2. Annualization of additional positions approved in 1987	...	109	2,836

This provides for the annualization of 21 additional positions approved in 1987 for activation of new housing units at the Federal Correctional Institution, El Reno, OK and the Federal Prison Camp, Montgomery, AL and annualization of 400 correctional officer positions added by the Congress.

	Approved 1987 increase	Annualization required
Annual salary rate of 21 approved positions	$7,801	
Less lapse (46%)	-2,044	$2,044
Net compensation	5,757	
Associated employee benefits	1,108	362
Other object classes	1,360	430
Total costs subject to annualization	8,225	2,836

3. One additional compensable day	...	...	1,187

The annual salary rate for Federal Employees is based on 260 paid days. FY 1988 has one more compensable day (262) than 1987 (261). $280,454,000 divided by 261 days = $1,075,303 plus $111,697 for benefits.

Justification of Adjustments to Base (Con't)
(Dollars in thousands)

	Pos.	Work-years	Budget Auth.
4. Within-grade increase	...	...	$3,077
This request provides for an expected increase in the cost of within-grade increases. This increase is generally consistent with increases experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $2,770,000 and benefits $307,000 = $3,077,000).			
5. Federal Employees' Compensation Act (FECA) - Workers' Compensation	...	...	564
This increase reflects the billing provided by the Department of Labor for the actual costs in 1986 of employees' accident compensation. The 1987 amount will be $564,000 over the 1987 base of $5,962,000.			
6. Annualization of Federal Employees' Retirement System Costs	...	...	28,931
This request provides for the additional costs in 1988 necessary to continue implementation of the Federal Employees' Retirement System Act of 1986, P.L. 99-335. This act established a retirement program for Federal civilian employees and postal workers hired after December 31, 1983 who are covered by social security, and for employees under the Civil Service Retirement System who choose to transfer into the new system. The calculations were determined from an OMB approved formula.			
7. Locality based per diem	...	...	389
Public Law 99-234 authorized a new locality-based per diem and lifted the $75.00 ceiling in certain geographic areas. An uncontrollable increase of $389,000 is required to meet the expected 6 percent increase to total travel funds.			
8. GSA rent	...	...	507
In 1987 the Rent System replaces the Standard Level User Charge (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $507,000 is required to meet our rental commitment to GSA.			
9. GSA recurring reimbursable services	...	...	12
Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.3 percent increase of $12,000 over 1987 charges of $278,000.			
			50

Justification of Adjustments to Base (Con't)
(Dollars in thousands)

	Pos.	Work-years	Budget Auth.
10. Federal Telecommunications System (FTS)	...	...	$292

The General Services Administration has advised of a 16 percent increase in Federal Telecommunications System (FTS) Intercity costs for 1986. This increase is mainly due to unanticipated tariff increases, savings GSA had built into their original budget estimate which will not materialize and FY 1985 costs which were not billed by GSA last year. An increase of $292,000 over the 1987 base of $1,825,000 is requested.

11. Telephone Service	...	...	32

On February 25, 1986, the District of Columbia Public Service Commission (PSC) issued its final order in the Chesapeake and Potomac telephone company (C&P) rate case. The PSC, in its order, allowed C&P to increase its rates by $31 million and set the rates for C&P's intrastate services. The PSC order affects the rates the Federal Executive Agencies will pay for basic exchange service, CENTREX services, service connections, direct inward dialing services and channel services. These changes will increase the FY 1987 cost of operating the Justice Telecommunications Service (JTS) by an estimated $552,000. An increase of $32,000 over the 1987 base is requested.

12. GPO Printing costs	...	...	8

The Government Printing Office (GPO) is currently projecting a 3 to 4 percent increase over the 1987 printing cost of $273,000. An additional $8,000 will be required in 1988.

13. Employee data and payroll services	...	...	424

Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems maintenance and payroll accounting are based on the number of records maintained. The rate of $145.64 per record in FY 1986 will be raised to $155.76 per record for FY 1988. The charge is based on anticipated uncontrollable cost increases of 6.9 percent for the operation of the Justice Employee Data Service.

An additional increase of $312,000 has been included to improve the Human Resources Management Information System (HRMIS). This improvement will enhance the productivity of all Department components as well as the support units of accounting, budgeting and procurement. This retooling of support systems will allow the Department to operate an efficient, effective and businesslike operation.

			51

	Per.	Work-years	Budget Auth.
14. General pricing level adjustment	...	...	$8,542
This request applies OMB pricing guidance as of July 1986 to selected expense categories. The increased costs identified result from applying a factor of 3.5 percent against those sub-object classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1988 estimates.			
Total uncontrollable increases	...	10	$1,838
Decreases (economic non-policy)			
1. Nonrecurring facilities activation costs	...	...	-246
This decrease represents the nonrecurring costs for equipment, supplies, and change of official duty station associated with the 1987 activations.			
2. Reduction for change in hourly rate	...	...	-737
Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985 required that the computation of annual salary rates be based on 2,087 hours rather than 2,080. The same amount that was reduced in 1984 and restored in 1986 is requested for reduction in 1988.			
3. Reduction in health benefits costs	...	...	-1,355
The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective the first pay period after January 1, 1986, the Department's actual contribution to health insurance decreased approximately 13.6 percent due primarily to reduced carrier rates. The requested decrease includes $1,355,000 for decreased rates over the 1987 budgeted base.			

Justification of Adjustments to Base (Con't)
(Dollars in thousands)

	Pos.	Work-years	Budget Auth.
4. Reduction in per page cost of the Federal Register and the Code of Federal Regulations	...	...	-$2

The Legislative Branch Appropriation Act of 1978 (P.L. 95-941) amended the Federal Register Act to require Federal agencies to reimburse the Government Printing Office for costs of printing, binding and distributing the Federal Register (FR) and the Code of Federal Regulations (CFR). The current cost estimates from GPO indicate a per page cost of $390 for the FR and $55 for the CFR for 1988. This represents an $18 per page decrease for the FR and a $5 per page decrease for the CFR.

Total uncontrollable decreases	...	...	-2,340
Total adjustments to base level estimates	...	109	$2,708

1881

Federal Prisons System
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1987 Estimate Positions & Workyears	1987 Estimate Amount	1988 Estimate Positions & Workyears	1988 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
ES-6 $74,500	1		1		...	
ES-4 $70,700	13		13		...	
ES-3 $68,200	3		3		...	
ES-2 $65,700	6		6		...	
ES-1 $63,200	1		1		...	
GS-15 $53,830-69,976	109		130		21	
GS-14 $45,763-59,468	170		177		7	
GS-13 $38,727-50,346	247		263		16	
GS-12 $32,567-42,341	654		702		48	
GS-11 $27,172-35,326	1,526		1,648		122	
GS-10 $24,752-32,148	65		68		3	
GS-9 $22,458-29,199	1,224		1,308		84	
GS-8 $20,333-26,435	1,358		1,425		67	
GS-7 $18,358-23,866	3,726		3,881		155	
GS-6 $16,521-21,480	487		639		152	
GS-5 $14,822-19,268	382		398		16	
GS-4 $13,248-17,226	24		24		...	
GS-3 $11,802-15,339	15		15		...	
Ungraded positions	1,246		1,341		95	
Total, appropriated positions	11,257	$286,750	12,043	$314,426	786	$27,544
Pay above stated annual rates	...	1,114	...	2,189	...	1,075
Lapses	-468	-9,766	-841	-22,110	-373	-13,344
Savings due to lower pay scales for part of year	...	-2,554	...	...	...	2,554
Net full-time permanent	10,789	276,544	11,202	294,505	413	17,961
Other than permanent:						
Part-time permanent	62	897	62	924	...	27
Temporary permanent	43	622	43	641	...	19
Other part-time and intermittent employment	21	303	21	313	...	10
Other personnel compensation:						
Overtime	269	10,834	274	11,571	5	737
Other compensation	226	9,103	227	9,587	1	484
Total, workyears and personnel compensation	11,410	298,303	11,829	317,541	419	19,238
Average ES Salary		($69,009)		($69,009)		
Average GS/GM Salary		($24,462)		($26,188)		
Average GS/GM Grade		(8.51)		(8.56)		

Summary of Requirements by Grade and Object Class (Con't)
(Dollars in thousands)

Object Class	1987 Estimate Workyears	1987 Estimate Amount	1988 Estimate Workyears	1988 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11 Personnel compensation:						
11.1 Full-time permanent	10,789	$276,544	11,202	$294,505	413	$17,961
11.3 Other than permanent	126	1,822	126	1,878	...	56
11.5 Other personnel compensation	495	19,937	501	21,158	6	1,221
Total	11,410	298,303	11,829	317,541	419	19,238
Other objects:						
12 Personnel benefits		70,613		104,423		33,810
13 Benefits for former personnel		69		69		...
21 Travel and transportation of persons		10,047		11,733		1,686
22 Transportation of things		3,909		5,555		1,646
23.1 Standard level user charges		2,553		3,060		507
23.2 Rental payments to others		8,900		9,100		200
23.3 Communications, utilities and Other Rents		40,321		45,492		5,171
24 Printing and reproduction		344		350		6
25 Other services		106,348		128,887		22,539
26 Supplies and materials		79,944		88,828		8,884
31 Equipment		19,679		38,388		18,709
41 Grants, subsidies, and Contributions		1,187		1,302		115
42 Insurance claims and Indemnities		19		19		...
Total direct obligations		642,236		754,747		112,511

Summary of Requirements by Grade and Object Class (Con't)
(Dollars in thousands)

Object Class	1987 Estimate Workyears	1987 Estimate Amount	1988 Estimate Workyears	1988 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
ALLOCATION TO DEPARTMENT OF HEALTH AND HUMAN SERVICES						
11.1 Personnel compensation: Military		$4,110		$4,110		...
Total workyears and personnel compensation		4,110		4,110		...
Other objects:						
12.1 Personnel benefits: Military		1,764		1,764		...
13 Benefits for former personnel		...		...		...
21 Travel and transportation of persons		50		50		...
22 Transportation of things		170		170		...
23.3 Comm, Utilities and Other Rents		10		10		...
24 Printing and reproduction		...		...		...
25 Other services		...		...		...
Total direct obligations, HHS Allocation		6,104		6,104		...
Total requirements, Salaries and Expenses		648,340		760,851		112,511
Relation of obligations to outlays:						
Obligated balance, start-of-year		52,444		75,057		
Obligated balance, end-of-year		75,057		106,758		
Outlays		625,727		729,150		

Department of Justice

Federal Prison System

National Institute of Corrections

Estimates for Fiscal Year 1988

Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes to the Appropriation Language	2
Crosswalk of 1987 Changes	3
Summary of Requirements	4
Justification of Program and Performance	5
Detail of Permanent Positions by Category	7
Summary of Adjustments to Base	8
Justification of Adjustments to Base	9
Summary of Requirements by Grade and Object Class	11
Consulting and Related Services	13

1885

Federal Prison System

National Institute of Corrections

Summary Statement

Fiscal Year 1988

The Federal Prison System is requesting for the National Institute of Corrections (NIC) for 1988, 41 positions, 41 workyears and $10,509,000. This represents an increase of $1,345,000 over the 1987 appropriation anticipated.

The mission of the NIC is to work with state and local governments to assist them in developing and training their corrections staff, to conduct and support research regarding ways to improve correctional programs and to serve as a clearinghouse for information on improvements in corrections. Given that the nation's prisons and jails are critically overcrowded, the functions which NIC perform become even more crucial.

Recognizing the critical overcrowding in the Federal Prison System, the Attorney General has set a 1988 priority of increasing prison capacity to house the growing number of Federal offenders. In direct support of this priority, NIC's training and technical assistance activities lessen the likelihood that state and local prison populations will "spill over" into the Federal prison system.

Without NIC's continuing assistance and leadership in providing relevant training and responsive intervention, the deficiencies (i.e., training of staff) which plague state and local correctional agencies will be exacerbated during a period when prisons and jails are experiencing unprecendented growth, crowding and diminishing resources with no apparent relief in sight for the foreseeable future.

The services performed by the NIC are extensive, and at a comparatively low cost to the Federal Government. In fact, a large part of the resources made available to NIC is used for the delivery of services to the corrections community. This is possible because NIC has in place cost saving initiatives. For example, NIC contracts with a private vendor to operate its clearinghouse function and certain accounting activities; enters into agreements with state and local governments through the Intergovernmental Personnel Act (IPA) and uses consultants to deliver technical assistance and provide training. The use of the IPA and consultants provide NIC flexibility to expand or decrease its staff as program requirements dictate, without the attendant long-term fiscal commitment.

In 1988, the NIC is again requesting no program increases; however, an increase of $1,345,000 is required to cover uncontrollable increases.

Federal Prison System

National Institute of Corrections

Justification of Proposed Changes in Appropriation Language

The 1988 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

National Institute of Corrections

For carrying out the provisions of sections 4351-4353 of title 18, United States Code, which established a National Institute of Corrections, [$9,000,000] to remain available until expended. $10,509,000

(18 U.S.C. 4351-4353; Department of Justice and Appropriation Act, 1987 as included in Public Laws 99-500 and 99-591, section 101(b); additional authorizing legislation to be proposed.)

1987

Explanation of Changes

No substantive changes proposed.

Federal Prison System

National Institute of Corrections

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			1987 Supplementals Requested		1987 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Program	Pay/FERS	Pos.	WY	Amt.
1. National Institute of Corrections.....	41	41	$9,495	...	...	-$495	$15	$149	41	41	$9,164

Explanation of Analysis of Changes from 1987 Appropriation Request

Congressional Appropriation Actions

The Congress did not approve the policy requiring State and local governments to fund certain costs of travel, food, and lodging related to NIC-sponsored training. However, the Congress believed that the appropriation enacted along with unobligated carryover balances would be sufficient to continue services at previous levels.

Supplementals Requested

1. The supplemental for $15,000 is for increased Federal Telecommunications System costs.

2. The Pay/FERS request provides $20,000 to meet 53 percent of the increased pay requirements pursuant to P.L. 99-500 and $129,000 to implement the Federal Employees Retirement System Act of 1986, P.L.99-335.

Federal Prison System

National Institute of Corrections

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
Department of Justice Appropriation Act, 1987	41	41	$9,000
1987 Pay and FERS supplemental requested	...	...	149
1987 Program supplemental requested	...	...	15
1987 appropriation anticipated	41	41	9,164
Uncontrollable increases	...	...	1,350
Decreases	...	...	-5
1988 base	41	41	10,509

Estimates by budget activity	1986 Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
National Institute of Corrections	41	41	$10,527	41	44	$14,468	41	41	$9,164	41	41	$10,509	41	41	$10,509	...	...	...

Federal Prison System

National Institute of Corrections

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: National Institute of Corrections	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
National Institute of Corrections.....	41	41	$9,164	41	41	$10,509	41	41	$10,509	...	...	...

Authorization for this program is contained in the Juvenile Justice and Delinquency Prevention Act of 1974. The primary purpose of the National Institute of Corrections (NIC) is to offer assistance through grants and contracts to state and local correctional agencies. Improving correctional practices at all levels continues to be a national need. NIC helps to ameliorate this need through its training, technical assistance, research and standards development activities. The Institute offers information and clearinghouse services to the correctional community and helps state and local correctional agencies build the capacity to do their own research.

Long Range Goal: Provide leadership in moving corrections toward greater professionalism; develop national policies from the guidance and coordination of Federal agencies and initiatives affecting corrections; serve as a national center to which state and local correctional agencies can turn to receive many different types of assistance; and serve as a source of correctional information and knowledge to provide immediate and accurate information about a wide variety of correctional programs, policies, planning standards, and practices.

Major Objectives:

To assist in the improvement of jail operations nationwide so they may become humane, fair, efficient, and effective and comply with legal requirements.

To strengthen correctional programs by effective and efficient utilization of staff and organizational resources.

To increase the effectiveness of correctional programs by expanding the use of alternatives to incarceration and promoting a safe, humane, and constitutional environment for those offenders who must be incarcerated.

To develop the capacity to respond quickly, accurately, and informatively to a wide variety of inquiries on correctional programs, policies, standards, and practices.

To provide training to the correctional community to upgrade skills of personnel.

Base Program Description: The program consists of three elements. The technical assistance element provides specialized assistance to state and local correctional agencies in response to specific requests within selected programmatic areas and supports the collection and dissemination of relevant correctional policies, programs, practices and resource documents. The research, evaluation and policy standards element provides assistance to jurisdictions attempting to develop and implement correctional standards. The training element advances correctional organizational performance through a systematic staff development program.

In an effort to increase coordination, reduce duplication, and upgrade state and local corrections, the National Institute of Corrections has initiated several activities, including developing memoranda of understanding between Federal agencies, placing representatives of several Federal agencies on the NIC Advisory Board, and conducting frequent meetings with representatives from the entire spectrum of correctional practice. An annual plan is approved by the Advisory Board, after which the NIC staff develops a program strategy utilizing training, technical assistance and clearinghouse, policy/program development and evaluation to accomplish the objectives in the plan.

Accomplishments and Workload: Accomplishments of the National Institute of Corrections program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Application papers processed	356	244	350	350
Grants and contracts awarded	150	145	135	135
Technical assistance provided	810	702	760	760
Training participants	2,770	3,051	2,700	2,700
Training requests	12,000	12,000	12,000	12,000
Information requests	7,355	7,500	7,500	7,500

During fiscal year 1986, the National Institute of Corrections awarded 145 grants and contracts to state and local correctional agencies, organizations and individuals to carry out its mission. The Institute responded to 702 requests for technical assistance from state and local agencies in all 50 states, the District of Columbia and Puerto Rico. Training was provided to over 3,000 managers, administrators, and staff trainers working in corrections. The provision of training to over 3,000 participants includes the participation of 980 staff trainers from state and local agencies in NIC sponsored programs at their agency site. These trainers subsequently provided similar training for nearly 22,500 correctional staff in their agencies. The NIC Information Center responded to over 7,000 information requests from federal, state and local practitioners.

Federal Prison System

National Institute of Corrections

Detail of Permanent Positions by Category

Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized	1988 Request
Correctional Institution Admin. (006)	19	19	19
General Administration, Clerical and Office Services (300-399)	16	16	16
Accounting and Budget (500-599)	4	4	4
Information and Arts Group (1000-1099)	1	1	1
Education Group (1700-1799)	1	1	1
Total	41	41	41
Washington	23	23	23
U.S. Field	18	18	18
Total	41	41	41

1342

Federal Prison System

National Institute of Corrections

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1987 as enacted	41	41	$9,000
Pay & FERS supplemental requested	...	...	149
Progras supplemental requested	...	...	15
1987 Appropriation anticipated	41	41	9,164
Adjustments to base:			
Uncontrollable increases:			
One additional compensable day	...	...	7
Annualization of Federal Employees' Retirement System Costs	...	...	212
Annualization of 1987 pay increase	...	...	31
Within-grade increases	...	...	15
Locality based per diem	...	...	60
GSA rent	...	...	183
Federal Telecommunications System (FTS)	...	...	8
General pricing level adjustment	...	...	339
Restoration of congressional reduction	...	...	495
Total, uncontrollable increases	...	...	1,350
Decreases:			
Reduction for change in hourly rate	...	...	-4
Reduction in Health Benefits	...	...	-1
Total, decreases	...	...	-5
1988 Base	41	41	10,509

72-188 O—87——43

Federal Prison System

National Institute of Corrections

Justification of Adjustments to Base
(Dollars in thousands)

Uncontrollable increases:	Amount
1. One additional compensable day..... The annual salary rate for Federal employees is based on 260 paid days. FY 1988 has one more compensable day (262) than 1987 (261). (Permanent personnel compensation $1,510,000 divided by 261 = $6,000 plus $1,000 for benefits = $7,000.)	$7
2. Annualization of Federal Employees' Retirement System costs..... This request provides for the additional costs in 1988 necessary to continue implementation of the Federal Employees' Retirement Act of 1986, P.L. 99-335. This act established a retirement program for Federal civilian employees and postal workers hired after December 31, 1983 who are covered by social security, and for employees under the Civil Service Retirement System who choose to transfer into the new system. The calculations were determined from an OMB approved formula. Additionally, $23,000 of the 1987 requirement was absorbed. Total annualization required is $212,000.	212
3. Annualization of 1987 pay increase..... This request provides for the annualization of the January 4, 1987 pay increase. The calculation of the amount required for annualization is based on 68 paid days (October 1, 1986 through January 3, 1987) which were not included in the pay raise amount of $20,000. Additionally, $18,000 of the 1987 pay requirement was absorbed. Total annualization required is $31,000.	31
68/261 x pay raise amount for 1987..... $13,000 1987 absorption of pay..... 18,000 Total annualization..... 31,000	
4. Within-grade increases..... This request provides for an expected increase in the cost of within-grade increases. This increase is generally consistent with increases experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $14,000 and benefits $1,000 = $15,000.)	15
5. Locality based per diem..... Public Law 99-234 authorized a new locality-based per diem and lifted the $75.00 ceiling in certain geographic areas. An uncontrollable increase of $60,000 is required to meet the expected 25 percent increase to total travel funds.	60
6. GSA rent..... In 1987, the Rent System replaces the Standard Level User Charge (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $183,000 is required to meet our commitment to GSA.	183

1944

	Amount
7. Federal Telecommunications System (FTS)..... The General Services Administration has advised of a 16 percent increase in Federal Telecommunications System (FTS) Intercity costs for 1986. This increase is mainly due to unanticipated tariff increases, savings GSA had built into their original budget estimate which will not materialize and FY 1985 costs which were not billed by GSA last year. An increase of $8,000 over the 1987 base is requested.	$8
8. General pricing level adjustment..... This request applies OMB pricing guidance as of December 1986 to selected expense categories. The increased costs identified result from applying a factor of 3.7 percent against those sub-object classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1988 estimates.	339
9. Restoration of Congressional reduction..... This restoration adjusts for the lower than anticipated unobligated balance available and is required to provide sufficient funds to maintain most services at current levels.	495
Total uncontrollable increases.....	1,350
Decreases (Automatic non-policy):	
1. Reduction for change in hourly rate..... Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985 required that the computation of annual salary rates be based on 2,087 hours rather than 2,080. The same amount that was reduced in 1984 and restored in 1986 is requested for reduction in 1988.	-4
2. Reduction in Health Benefits..... The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective the first full pay period after January 1, 1986, the Department's actual contribution to health insurance decreased approximately 6.6 percent due primarily to reduced carrier rates. The The requested decrease includes $1,000 for decreased rates over the 1984 budgeted base of $15,000.	-1
Total decreases.....	-5
Total, adjustments to base.....	1,345

1345

Federal Prison System

National Institute of Corrections

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and Salary Range	1987 Estimate Positions & Workyears	1987 Estimate Amount	1988 Estimate Positions & Workyears	1988 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
ES-4 $70,700	1		1		...	
GS-15 $53,830-69,976	5		5		...	
GS-14 $45,763-59,488	2		2		...	
GS-13 $38,727-50,346	11		11		...	
GS-12 $32,567-42,341	2		2		...	
GS-11 $27,172-35,326	2		2		...	
GS-9 $22,458-29,199	3		3		...	
GS-7 $18,358-23,866	3		3		...	
GS-6 $16,521-21,480	2		2		...	
GS-5 $14,822-19,268	6		6		...	
GS-4 $13,248-17,226	3		3		...	
GS-3 $11,802-15,339	1		1		...	
Total, appropriated positions	41	$1,637	41	$1,675	...	$38
Pay above stated annual rates	...	6	...	12	...	6
Lapses	...	...	...	...	...	...
Savings due to lower pay scales for part of year	...	-13	...	...	...	13
Net full-time permanent and total WY and personnel compensation	41	1,630	41	1,687	...	57
Average ES Salary		($68,700)		($68,700)		
Average GS/GM Salary		($36,275)		($36,600)		
Average GS/GM Grade		(10.8)		(10.8)		

Federal Prison System
National Institute of Corrections
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

	1987 Estimate		1988 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Object Class						
11.1 Full-time permanent	41	$1,630	41	$1,687	...	$57
Total, workyears and personnel comp.	41	1,630	41	1,687	...	57
Other objects:						
12 Personnel benefits		228		445		217
21 Travel and transportation of persons		1,110		1,170		60
22 Transportation of things		60		60		...
23.1 Rental payments to GSA		200		383		183
23.2 Rental payments to others		80		80		...
23.3 Communications, utilities and misc. charges		45		53		8
24 Printing and reproduction		95		95		...
25 Other services		2,943		3,090		147
26 Supplies and materials		100		100		...
31 Equipment		30		30		...
41 Grants, subsidies, and contributions		2,800		3,000		200
Total obligations	41	9,321	41	10,193	...	872
Unobligated balance, start-of-year		-1,057		-900		
Unobligated balance, end-of-year		900		1,216		
Total requirements		9,164		10,509		
Relation of obligations to outlays:						
Obligations incurred, net		9,321		10,193		
Obligated balance, start-of-year		10,814		7,937		
Obligated balance, end-of-year		-7,937		-8,017		
Outlays		12,198		10,113		

1947

Department of Justice

Federal Prison System

Buildings and Facilities

Estimates for Fiscal Year 1988

Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes to the Appropriation Language	4
Crosswalk of 1987 Changes	5
Summary of Requirements	6
Justification of Program and Performance	7
Financial Analysis - Program Changes	19
Status of Construction and Summary of New Facilities Requirements	20
Detail of Permanent Positions by Category	23
Summary of Adjustments to Base	24
Justification of Adjustments to Base	25
Summary of Requirements by Grade and Object Class	27

1848

Federal Prison System

Buildings and Facilities

Summary Statement

Fiscal Year 1988

The Federal Prison System is requesting for 1988, a total of 129 permanent positions, 122 workyears and $210,334,000 for the Buildings and Facilities appropriation. This request reflects an increase of 45 positions and 51 workyears and a decrease of $8,915,000 from the 1987 appropriation anticipated.

A major objective of the Federal Prison System (FPS) facilities development program is to provide offenders with a safe and humane environment which affords an acceptable level of privacy and is located, where possible, close to the offenders' area of residence. Towards this end, the FPS believes in the construction of smaller, modern institutions which in design and structure accommodate the offering of a complete range of programs and activities for improving offenders' capabilities to achieve crime-free lives.

Current prison overcrowding coupled with projected increases in the Federal inmate population continues to be the major challenge facing the Federal Prison System. Since January 1981, the FPS has experienced a dramatic 75 percent growth from 23,783 inmates to an all time high of almost 41,500 inmates, an average growth of about 13 percent per year. This population growth is primarily the result of law enforcement and prosecution efforts against drug trafficking and organized crime.

During this period of rapid population growth, the FPS has taken every possible action within available resources to reduce institutional overcrowding to manageable proportions to ensure that Federal inmates continue to serve their sentences in a safe and humane environment. These actions include increasing utilization of contract Community Treatment Centers and contract State and local facilities, expanding existing institutions, acquiring surplus facilities, and constructing new facilities.

The Federal Prison System's current population of approximately 41,500 is housed in facilities which are rated for a capacity of 27,785 in accordance with standards developed by the Commission on Accreditation for Corrections. This results in a 13,715 bed deficit or an overcrowding rate of almost 50 percent. Based on analyses of current inmate population trends, prosecution and court statistics and workload projections of the FBI and the DEA, the FPS projects that the inmate population will continue to grow and will be at least 44,878 in 1988 and that it will reach 55,200 by 1993. Moreover, the Comprehensive Crime Control Act of 1984 and the Anti-Drug Abuse Act of 1986 will, in all likelihood, further increase the inmate population.

The Buildings and Facilities appropriation contains three budget activities: Planning and Site Acquisition, New Construction, and Modernization and Repair of Existing Facilities.

The activity Planning and Site Acquisition provides resources for the identification and location of suitable sites for the acquisition or construction of new correctional facilities. It also provides for the design of these facilities in a manner consistent with security and program requirements and architectural innovation. The activity New Construction provides the resources required to construct new correctional institutions.

In 1986, the construction of the Federal Detention Center in Oakdale, Louisiana was completed. However, this 1,000-bed facility is for alien detainees under the control of Immigration and Naturalization Service.

In the northeast, the FPS has acquired sites in Fairton, New Jersey and in Bradford, Pennsylvania. Preliminary site work has begun at both locations and major construction should commence in the Spring of 1987. Other potential sites in Pennsylvania and New Jersey are being considered for the construction of one additional Federal Correctional Institution.

In the southeast, preparation of the Marianna, Florida site was completed and construction of the facility is in progress. FPS is also in the process of acquiring a site for the construction of a medium security facility in Jesup, Georgia.

In the west, a Metropolitan Detention Center in Los Angeles, California is under construction and scheduled for completion in 1988. In addition, a site was acquired in Sheridan, Oregon and construction construction should commence in 1987.

The activity Modernization and Repair of Existing Facilities provides the resources to undertake essential rehabilitation, renovation or replacement projects at existing institutions to ensure that structures, utilities systems, and other plant facilities are kept in a good state of repair. Proper maintenance, modernization and repair of our existing institutions is essential, particularly since 50 percent of our facilities are over 30 years old. Failure to adequately maintain structures and utilities systems erodes capital investment and multiplies the costs in future years for accomplishing the required maintenance and repair. This activity also provides for the expansion of capacity at existing institutions.

To expand Federal prison capacity to keep pace with projected increases in the Federal inmate population and to simultaneously reduce prison overcrowding continues to be the major challenge facing the Federal Prison System. In 1988, 21 positions, 15 workyears and $130,200,000 is requested to construct two new Federal Correctional Institutions (FCI's) (one in the northeast and one in the southeast); to construct a new Federal Detention Unit;

Summary Statement (Con't)

to construct new satellite camps at the Ashland, KY, Memphis, TN, and Talladega, AL, FCI's; to construct new housing units at the Morgantown, WV and Oxford, WI FCI's; and to expand the satellite camp at the U.S. Penitentiary, Atlanta, GA. These new facilities will add 2,400 beds to FPS's capacity.

The 1988 request also includes $30,000,000 to complete the construction of the Sheridan FCI (the Sheridan facility was partially funded in 1987); 7 positions, 7 workyears and $10,725,000 to maintain investment in plants through an adequate program of institution renovation and repair; 18 positions, 18 workyears and $7,504,000 to continue fire safety and environmental improvements and 5 positions, 5 workyears and $17,000,000 to modernize antiquated U.S. penitentiaries at Atlanta, GA and Leavenworth, KS.

Federal Prison System

Buildings and Facilities

Justification of Proposed Changes in Appropriation Language

The 1988 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Buildings and Facilities

For planning, acquisition of sites and construction of new facilities; purchase and acquisition of facilities and remodeling and equipping such facilities for penal and correctional use, including all necessary expenses incident thereto, by contract or force account; and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, [$122,511,000] to remain available until expended: Provided, That labor of United States prisoners may be used for work performed under this appropriation. $210,334,000

(18 U.S.C. 4003, 4009, 4010, 4042 4125; Department of Justice Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(b); additional authorizing legislation to be proposed.)

[For an additional amount for "Buildings and Facilities", $96,500,000, to remain available until expended.]

Omnibus Drug Supplemental Appropriations Act of 1987, as included in Public Laws 99-500 and 99-591, Title II.

Explanation of Changes:

No substantive changes.

Federal Prison System

Buildings and Facilities

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/program	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			1987 Supplemental Requested	1987 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pay & FERS	Pos.	WY	Amt.
1. Planning and Site Acquisition	...	...	...	2	2	$10,000	...	2	2	$10,000
2. New Construction	24	21	$133,795	12	4	50,000	...	36	25	183,795
3. Modernization and Repair of Existing Facilities	46	44	25,357	...	...	-141	$238	46	44	25,454
Total	70	65	159,152	14	6	59,859	238	84	71	219,249

1953

Explanation of Analysis of Changes from 1987 Appropriation Request

Congressional Appropriation Actions

The Congress reduced the 1987 request by $30,000,000 due to anticipated delays in the construction of three Federal Correctional Institutions proposed in the request and approved by the Congress. Also, a $6,489,000 reduction resulted from a 5.03 percent cut brought about by the Prenzel Amendment. A $152,000 reduction was attributed to rounding.

The Omnibus Drug Supplemental Appropriations Act of 1987 provided an additional $96,500,000 for "Buildings and Facilities". Of this amount, $90,000,000 is for the design and construction of two new Federal prisons to relieve the severe overcrowding that exists in the Federal Prison System. The remaining $6,500,000 offsets the $6,489,000 which resulted from the 5.03 percent cut and partially offsets the rounding reduction.

Supplemental Requested

The request provides $30,000 to meet fifty percent of the increased pay requirements pursuant to P.L. 99-500 and $208,000 to implement the Federal Employees' Retirement System Act of 1986, P.L. 99-335.

Federal Prison System

Buildings and Facilities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 as enacted	84	71	$219,011
1987 Pay and retirement supplemental requested	...	...	238
1987 Appropriation anticipated	84	71	219,249
Uncontrollable increases	...	11	1,053
Decreases	-6	-5	-205,397
1988 base	78	77	14,905

Estimates by budget activity/ program:	1986 as Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Planning and Site Acquisition	10	8	...	1	1	$10,855	2	2	$10,000	...	...	...	2	2	$9,000	2	2	$9,000
2. New Construction	3	1	...	11	17	69,840	36	25	183,795	38	38	...	51	45	124,500	13	7	124,500
3. Modernization and Repair of Existing Facilities	44	50	$44,082	45	51	55,972	46	44	25,454	40	39	$14,905	76	75	76,834	36	36	61,929
Total	57	59	44,082	57	69	136,667	84	71	219,249	78	77	14,905	129	122	210,334	51	45	195,429

1954

Federal Prison System

Buildings and Facilities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Planning and Site Acquisition	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Planning and Site Acquisition.....	2	2	$10,000	...	...	...	2	2	$9,000	2	2	$9,000

This budget activity provides for the identification, location and acquisition of suitable sites for, and design of new correctional facilities to be constructed. Suitable sites may include surplus government property or non-government property.

Long-Range Goals: To provide safe, humane environments for both inmates and staff, which meet the basic human needs for privacy and dignity, which support voluntary programs of self-improvement that prepare inmates for their eventual release into the community, and which minimize the often corrosive effects of institutional confinement. To locate sites as near as possible to large metropolitan areas in order to maximize the use of community resources, enhance staff recruitment and place inmates close to their release destinations.

Major Objectives:

Review FPS capacity requirements.

Locate and acquire suitable, surplus facilities as an alternative to prison construction.

Locate and acquire suitable sites for new construction.

Prepare design programs and concepts for new facilities, including new housing units.

Base Program Description: Planning involves the initial identification of increased capacity needs, as well as the geographical location of these needs. FPS continuously reviews capacity requirements, considering the inmate population level, the geographic origin of the confined population, and the age and condition of present facilities. If projected inmate population levels exceed capacity, FPS makes a determination of whether to: increase capacities of existing institutions; acquire suitable surplus property; increase the utilization of Community Treatment Centers; or construct new facilities.

The FPS has always emphasized alternatives to the construction of new facilities and the most cost-effective approaches to expansion of prison capacity. However, if no suitable alternatives to new prison construction are available, FPS must plan for the construction of new facilities. A suitable site must be located and acquired. The site acquisition process also includes notification of the public, preparation of the Environmental Impact Statement, coordination of the legal procedures necessary for acquisition of the properties and some site preparation work.

In addition, the design of the new facility outlining the function, size, type and relationship of the various spaces as well as a general philosophy of operation must be proposed. Architects and engineers are hired to prepare preliminary concepts, designs and recommendations which are reviewed by FPS staff. Final contract documents are then monitored for correctness, completeness and cost effectiveness. The project is then bid for construction provided that construction funds have been appropriated. This planning and site acquisition process takes from between 12 to 18 months and usually overlaps the construction process by three to six months.

It should be emphasized that within the base program the Federal Prison System (FPS) will not have sufficient resources to satisfy its capacity requirements. Efforts to date to increase capacity by adding housing units at existing institutions, acquiring surplus property, increasing the utilization of contract facilities and constructing new institutions still leave the FPS significantly short of capacity.

The FPS inmate population recently reached an all-time high of approximately 41,500. This population is currently being housed in facilities with a total rated capacity of 27,785, a system overcrowding rate of almost 50 percent. Research studies on prison overcrowding indicate that the normal tensions of institutional living become magnified and can result in increased violence. In addition, changes in prosecution policies over the past several years have resulted in a more criminally sophisticated and violent Federal inmate population.

Since January 1981, the Federal inmate population has increased from 23,783 to 41,500. This dramatic 75 percent increase is the result of the law enforcement initiatives taken by this Administration, particularly the emphasis on drug trafficking and organized crime. Based on long-term trends, short-term projections are that the annual average daily population will be at least 44,878 in 1988 and that it will reach 55,200 by 1993.

The enactment of the Comprehensive Crime Control Act of 1984 will, in all likelihood, further increase the inmate population. The addition of several new Federal offenses in the area of drug trafficking, violent crime, terrorism and computer fraud may all contribute to this increase. The Armed Career Criminal provisions of the legislation provide for a minimum mandatory sentence of 15 years for offenders with prior robbery/burglary convictions. Additionally, the Act establishes a minimum mandatory five year sentence for use of a firearm in a Federal crime of violence. Such provisions have the potential for generating significant inmate population increases. In addition to the creation of several new Federal offenses, the legislation's provisions for the elimination of good time and parole and the establishment of sentencing guidelines by the new Sentencing Commission may have a significant impact on the resource requirements of the FPS. The Marshals Service has estimated that the Bureau of Prisons's detention population has already increased by 25-30 percent as a direct consequence of the Bail Reform Act provision of the Comprehensive Crime Control Act. Moreover, the recent enactment of the Anti-Drug Abuse Act of 1986 and the Administration's border drug law enforcement initiatives will also increase the inmate population.

The FPS also sustained a large increase in its population in 1980 as a result of the illegal entry of Mariel Cubans into the United States. Again in 1986, the Cuban population grew from 1,800 to over 2,100 due to criminal convictions in state and local courts and eventual revocation of the Cubans' immigration parole status.

The indefinite postponement of the agreement to return the excludable Mariel Cubans and the Department of Justice agreement to accept all D.C. Code felons and misdemeanants sentenced to prison and jail promise larger future populations in the Federal Prison System than previously projected.

The FPS has traditionally assisted other correctional systems by accepting non-Federal inmates in Federal facilities on a contract reimbursement basis. Within the current Federal prison population, approximately 3,388 offenders are non-Federal inmates. The largest single group is approximately 2,500 District of Columbia Code violators. In addition, there are 634 state and 253 territorial prisoners serving their sentences in Federal prisons. It should be noted, however, that the rapidly increasing Federal inmate population and current overcrowding precludes any increase in this assistance. Conversely, the FPS maintains contracts to house some Federal offenders in state and local facilities. Currently, 1,475 Federal offenders are being housed in state and local facilities. Contractual housing arrangements enable Federal and non-Federal correctional systems to better manage inmates with special needs and those who pose other management problems.

In addition to constructing new facilities to reduce overcrowding, the FPS has pursued other options.

The Federal Judiciary and the Federal criminal justice community have traditionally made extensive use of alternatives to confinement. In 1986, two out of three Federal offenders under supervision were in alternatives to confinement. The FPS has also sought to minimize overcrowding of its facilities through using Contract Community Treatment Centers and contract state and local facilities, expanding existing institutions, and by acquiring surplus facilities.

During the past four years, the FPS has increased the Community Treatment Center population from 1,400 to approximately 3,200 inmates. This 128 percent increase has reduced significantly the potential institution based population.

Another alternative to construction of additional capacity is the use of contract confinement facilities. Presently, the FPS contracts with state and local governments for both short and some long-term confinement. Any substantial increases in this program, however, are not possible at the state level due to overcrowding. We will continue to seek out local capacity options as they become available.

From a cost perspective, the expansion of existing institutions is the least expensive technique for increasing FPS capacity. The FPS is currently building additional housing units at facilities where program space can absorb further population increases. However, where major program areas, such as food service and utilities are already saturated, expansion may approach the cost of newly constructed facilities.

The FPS continually reviews Federal surplus and other property for possible acquisition and conversion to a correctional facility. The acquisition and conversion of existing property and structures is much less expensive than new construction and such facilities can be brought on-line in a much shorter period of time. The FPS has had excellent success in the conversion of surplus Air Force Bases to minimum security Federal Prison Camps such as those which exist at Big Spring, Texas and Boron, California. In the last four years, the FPS has acquired and activated a surplus Air Force facility in Duluth, Minnesota as a Federal Prison Camp; a former state mental hospital in Rochester, Minnesota for conversion to a facility for inmates requiring general medical/surgical and psychiatric treatment; and a former Seminary in Loretto, Pennsylvania for conversion to a Security Level 1 institution.

1357

While conversion of facilities to minimum security institutions is usually feasible, it generally is not cost-effective to convert most surplus properties to higher security level institutions because appropriate physical security must be designed into the facility. Converting existing non-correctional properties to medium and maximum security facilities is frequently more expensive than design and construction of new institutions.

The prediction of future events is no less difficult in the prison setting than in other areas of social phenomena. Future policy and discretionary decisions throughout the Federal criminal justice system will significantly affect inmate population levels. It has been the experience of the FPS that highly accurate long-range population projection methodologies simply do not exist. While there are often factors that have statistically valid correlations with prison populations, such as Federal court activities, a basic difficulty arises when one attempts to forecast those variables in order to project prison populations, or when other non-court related variables like INS or D.C. government policies come into play.

It should be understood that the FPS population projections traditionally have been conservative in order to insure that funds are not needlessly expended in constructing unnecessary prison capacity. The inmate population increase projected is not over estimated but rather represents the minimum level of increase which is likely to occur during the next five years. As discussed above, this conclusion is based on four facts: 1) the historically conservative nature of the FPS inmate population projections; 2) the exclusion, at this time, of the impact of the Comprehensive Crime Control Act of 1984; 3) the unknown future of D.C. prisoner housing and (4) the exclusion of the impact of the enactment of the Anti-Drug Abuse Act of 1986.

Factors considered in the population estimate include:

- Continuation of the Administration's law enforcement initiatives.
- Long-term inmate population trends.
- Long-term admission and release trends.
- Limited availability of state and local correctional space.

The FPS is projecting a 41.5 percent increase for the seven year period 1986 to 1993. This is an annual rate of growth of 6 percent per year.

In 1986, a 1,000 bed Alien Detention Center in Oakdale, Louisiana became fully operational. The Oakdale facility, however, is for alien detainees under the control of the Immigration and Naturalization Service, and will not reduce FPS overcrowding.

Currently, a Metropolitan Detention Center in downtown Los Angeles and a Federal Correctional Institution in Marianna, FL are under construction and in 1987, the FPS will begin construction of new institutions in Bradford, PA, Sheridan, OR and Fairton, NJ. The FPS is also in the process of acquiring a site in Jesup, GA and is considering sites in Pennsylvania and New Jersey for the construction of one more FCI.

These new facilities combined with previously approved capacity expansion at 14 existing institutions and the 1988 request to construct two new Federal Correctional Institutions (FCI's); to construct a new Federal Detention Unit; to construct new satellite camps at Ashland, Memphis and Talladega FCI's; to construct new housing units at the Morgantown and Oxford FCI's and to expand the satellite camps at the U.S. Penitentiary Atlanta, GA will increase the rated capacity of the Federal Prison System by 9,195.

1858

Accomplishments and Workload: The following table compares projected population levels through 1993 to capacity changes:

Item	Actual						Estimated						
	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Average daily population	24,932	27,730	29,178	31,394	33,834	39,008	42,432	44,878	47,061	49,107	51,110	53,128	55,200
Rated capacity	24,311	24,072	23,936	24,874	25,532	27,785	27,785	29,038	31,210	33,880	34,580	34,580	34,580
Percent overcrowded	3%	15%	22%	26%	33%	40%							
Approved changes to capacity:													
Adding capacity at existing institutions:													
Loretto, PA							241	...	...	...	...	...	...
Rochester, MN							184	...	...	...	...	...	...
Boron Housing Unit							24	...	...	...	...	...	...
Miami Housing Unit							100	...	...	...	...	...	...
Milan Housing Unit							100	...	...	...	...	...	...
Texarkana Housing Unit							100	...	...	...	...	...	...
Seagoville Housing Unit Addition							96	...	...	...	...	...	...
Allenwood Housing Unit							150	...	...	...	...	...	...
Montgomery Housing Units (3)							160	...	320	...	...	...	...
Eglin Housing Unit							98	...	...	...	...	...	...
Tucson Housing Unit							...	94	...	...	...	...	...
Englewood Detention Unit							...	90	...	...	...	...	...
Marion Camp Expansion							...	100	...	...	...	...	...
Phoenix Camp							...	...	150	...	...	...	...
New Facilities:													
MDC Los Angeles, CA							...	588	...	...	...	...	...
FCI Fairton, NJ							...	550	...	...	...	...	...
FCI Marianna, FL							...	750	...	...	...	...	...
FCI Bradford, PA							...	...	700	...	...	...	...
FCI Sheridan, OR							...	...	800	...	...	...	...
FCI Jesup, GA							...	...	700	...	...	...	...
Northeast FCI							...	...	...	700	...	...	...
Rated capacity adjusted for approved changes							29,038	31,210	33,880	34,580	34,580	34,580	34,580
Deficit							13,394	13,668	13,181	14,527	16,530	18,548	20,620
Percent overcrowded							46%	44%	39%	42%	48%	54%	60%

Item	Estimated						
	1987	1988	1989	1990	1991	1992	1993
1988 requested changes to rated capacity:							
New facilities:							
Northeast FCI	...	...	...	...	700	...	...
Southeast FCI	...	...	...	...	700	...	...
Federal Detention Center	...	...	...	...	150	...	...
Adding capacity at existing institutions:	...	...					
Satellite Camps - Ashland, Memphis and Talladega (150 each)	...	...	450	...	...	...	...
Atlanta Camp Expansion	...	...	150	...	...	...	...
Housing Units - Morgantown (150) and Oxford (100)	...	...	250	...	...	...	...
Rated capacity adjusted for 1988 requested changes	29,038	31,210	34,730	35,430	36,980	36,980	36,980
Deficit	13,394	13,668	12,331	13,677	14,130	16,148	18,220
Percent overcrowded	46%	44%	36%	39%	38%	44%	49%
1989 to 1993 planned changes to rated capacity:							
New Facilities:							
Northeast FCI (3)	...	...	...	...	...	700	1,650
Southeast FCI (3)	...	...	...	...	...	800	1,650
Adding Capacity at existing institutions:							
Satellite Camps (8)	...	...	...	300	300	300	300
Housing Units (8)	...	...	...	300	300	300	300
Rated capacity adjusted for planned changes	29,038	31,210	34,730	36,030	38,180	40,280	44,180
Deficit	13,394	13,668	12,331	13,077	12,930	12,848	11,020
Percent overcrowded	46%	44%	36%	36%	34%	32%	25%

In 1986, the FPS acquired three sites, one in Fairton, New Jersey; another in Bradford, Pennsylvania; and a third in Sheridan, Oregon. Construction should commence during 1987. The FPS is also in the process of acquiring a site in Jesup, Georgia and considering potential sites in Pennsylvania and New Jersey for the construction of one additional Federal Correctional Institution.

Program Changes: In 1988, FPS is requesting 2 positions and 2 workyears and $9,000,000 for the planning and site acquisition of two new Federal prisons - one in the northeast and one in the southeast.

Activity: New Construction	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
New Construction.....	36	25	$183,895	38	38	...	51	45	$124,500	13	7	$124,500

The Bureau's long-range construction program was undertaken specifically to (1) reduce institutional overcrowding, (2) close or modernize large antiquated facilities, and (3) develop smaller, more humane facilities that will offer programs designed to provide inmates an opportunity to achieve a crime-free life.

Long Range Goal: To construct safe, humane environments for both inmates and staff, meeting the basic human needs for privacy and dignity.

Major Objectives:

To expand the capacity of the Federal Prison System to keep pace with projected increases in the Federal inmate population and to simultaneously reduce prison overcrowding.

Base Program Description: After the need for new construction has been established, a site is acquired and a design is completed. Resource requests within this decision unit provide for the construction of new facilities. Essentially, the FPS oversees construction projects that have been contracted out to private construction firms. Coordination is developed with all necessary agencies to assure that all Federal regulations are followed, e.g., the Environmental Protection Agency, General Services Administration, Department of Justice, etc. Coordination is also maintained with state and local jurisdictions. Quality control of all projects is maintained by FPS staff to assure the most productive use of resources and the timely completion of all projects.

Accomplishments: In 1986, the construction of the Federal Detention Center in Oakdale, Louisiana was completed. Congress provided funds for the construction of the Oakdale facility in the Supplemental Appropriations Act of 1982 (P.L. 97-257).

From funds provided in the "Jobs Bill" of 1983 (P.L. 98-8), Congress in November 1983 approved a reprogramming to construct a Metropolitan Detention Center in Los Angeles, California. The facility is under construction and scheduled for completion in January 1988.

In addition, the FPS began construction of a new institution in Marianna, FL during 1986. The FPS temporarily reprogrammed funds provided in the 1985 Appropriation (P.L. 98-411) for the construction of a Northeast FCI (Fairton, NJ) in order to begin construction of the Marianna facility. The 1987 Appropriation (P.L. 99-500) provided full construction funding for the Marianna facility.

During 1987, FPS plans to begin construction of new prisons in Fairton, NJ; Bradford, PA; and Sheridan, OR. Funding was provided in the 1987 Appropriation for the Bradford and Sheridan facilities. However, $30,000,000 will be required in the 1988 budget to complete the Sheridan construction.

The FPS has full funding for two additional facilities which are currently at the planning and site acquisition stage. Construction should begin on these facilities during 1988.

Program Changes: In 1988, FPS is requesting 6 positions, 3 workyears and $46,500,000 to construct a 700-bed Northeast Federal Correctional Institution (FCI); 6 positions, 3 workyears and $41,000,000 to construct a 700-bed Southeast FCI; 1 position, 1 workyear and $7,000,000 to construct a 150-bed Federal Detention Unit; and $30,000,000 to complete funding of a Sheridan, Oregon FCI which was partially funded in 1987. The need for these facilities is based on our current and projected level of overcrowding through 1993 which is discussed in more detail in the "Base Program" section of the decision unit "Planning and Site Acquisition".

Activity: Modernization and Repair of Existing Facilities	1987 as Enacted			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Modernization and Repair of Existing Facilities	46	44	$25,454	40	39	$14,905	76	75	$76,834	36	36	$61,929

This activity provides resources for major rehabilitation, renovation or replacement of structures and utilities systems, and minor repair projects at existing institutions.

Long-Range Goals: To protect capital investment in facilities. To provide safe, efficient, and adequately sized and equipped facilities for the operation of correctional programs within Federal Prison System (FPS) institutions.

Major Objectives:

Repair and renovate facilities as required.

Make all facilities energy efficient in accordance with Department of Energy Life Cycle Costing method.

Comply with all pollution control requirements.

Comply with all requirements of the Joint Commission on Accreditation of Hospitals (JCAH).

Comply with all requirements of the National Fire Protection Association (NFPA), 101 Life Safety Code pertaining to penal facilities.

Modernize the United States Penitentiary, Leavenworth, Kansas.

Modernize the United States Penitentiary, Atlanta, Georgia.

Increase the capacity of existing FPS facilities, where possible, to reduce overcrowding.

Base Program Description: Because prisons operate on a 24 hour a day, 7 day a week basis, buildings and grounds are subjected to heavy use. Therefore, there is a continuing need to upgrade and repair areas damaged and worn by conducting normal activities and during emergency situations. In addition, the normal expected useful life of buildings without major repair and renovation is 30 years. Because 50 percent of the institutions are over 30 years old, a program for the replacement and/or rehabilitation of obsolete structures and plant facilities is required.

The Chief Executive Officer of each institution initiates a modernization and repair program considering the FPS's long range goals and major objectives. To assist him, regional office facilities staff perform space utilization studies at each institution on a 2-year cycle. These studies involve examining space available at each institution, assessing its use, and developing an overall plan to be followed in space utilization and renovation of the institution.

In part, objectives are accomplished using inmate labor crews supervised by FPS staff. Using inmate crews to do nearly all of the work requires considerably more time and staff supervision but is cost effective and provides inmates with meaningful work experience and training. Many of the larger projects, as well as those projects requiring special skills or equipment, are accomplished by contracting with local construction firms which allow for faster completion of the work with minimal supervision.

Most work in this decision unit is identified by two specific categories of projects: Major line item requirements (projects valued over $100,000) for which funds are specifically requested by project in appropriations requests; and repair and improvement (R&I) requirements (projects valued at $4,000 to $100,000). R&I projects address immediate needs resulting from routine repairs, emergencies, correctional program changes, etc., and are considered the base requirements for this program. All projects are closely monitored by the regional facilities staff for quality and timeliness of completion.

Coordination with regulatory agencies is required for pollution abatement and energy programs. The Environmental Protection Agency is consulted for guidance in the design of sewage treatment plants, acceptable fuel for heating and cooling, disposal of wastes and other pollutants. The Department of Energy is consulted with regard to availability and allocation of energy sources. Coordination with the General Services Administration is required for the procurement of certain materials and equipment. Repairs and improvements to buildings and facilities are accomplished within FPS in accordance with existing occupational safety and building legislation.

1983

Accomplishments and Workload: Accomplishments of the program Modernization and Repair of Existing Facilities are presented in the following table:

Item	1985	1986	Estimates 1987	1988
New repair and improvement projects established	190	251	250	250
New line item projects established	15	24	16	20
Projects completed and closed	211	250	250	300
Projects active	422	447	463	433

In 1986, FPS completed the lease/purchase of the Federal Correctional Institution, Oxford, Wisconsin, negotiated with the State of Wisconsin in Fiscal Year 1973. FPS made an annual payment of $1.5 million through 1986 which totaled $20,912,247 at completion.

In 1983 FPS embarked on a program to expand inmate housing capacity at existing institutions as one of the most economical alternatives of adding capacity and reducing overcrowding. To date, nine of these projects, which added 1,007 beds, were completed (Memphis Housing Unit, Petersburg Camp Housing Unit, Boron Housing Unit, Oxford Satellite Camp, Tallahassee Housing Unit, Butner Housing Unit, Ashland Housing Unit, La Tuna Housing Unit, and Lexington Housing Expansion). In addition, 14 projects, which will add 1,582 beds are scheduled for completion during the period 1987 - 1989 (Milan Housing Unit, Miami Housing Unit, Texarkana Housing Unit, Seagoville Housing Unit, Allenwood Housing Unit, Tucson Housing Unit, three Montgomery Housing Units, Boron Housing Unit, Eglin Housing Unit, Marion Camp Expansion, Phoenix Satellite Camp, and Englewood Detention Unit).

From 1979 through 1985, projects totalling approximately $4,000,000 were completed throughout FPS to bring housing units into compliance with certain aspects of the NFPA 101 Life Safety Code and requirements set by FPS. These projects include installation of proper exits, emergency lights, smoke detection systems, standpipes and hose cabinets and removal of combustible building materials. This represents the initial phase of bringing the institutions into compliance with all requirements of the 101 Life Safety Code. To date, 30 institutions were surveyed by outside professionals for Life Safety Code Compliance. Results of these surveys indicate that the cost to bring institutions into total compliance with the Life Safety Code will approximate $1 million per institution. Ten of the highest priority projects identified, totalling $702,400, were funded from the 1985 repair and improvement budget. The 1986 appropriation provided $1.5 million to continue this effort.

Energy conservation is an ever increasing program requiring a large investment of staff and funds. Since 1981, approximately $2 million was obligated to accomplish retrofit projects such as roof insulation, steamline insulation, lighting changes, electrical load demand controllers and heating, ventilating and air conditioning renovation.

A long-term multiphase project to convert USP Leavenworth from an outdated inside five tier cellhouse to a modern correctional institution with individual closed front cells began in 1982. The first phase, which was to modernize "B" cellhouse from a 5-story unit to 330 inside cells on one 2 story unit and one 3 story unit was completed in February 1985. Since completion of "B" cellhouse, FPS has decided that a much better design would be to create three 2 story units of outside cells in each cellhouse. This would provide approximately 400 cells in "A" cellhouse and 150 cells each in "C" and "D" cellhouses and provide outside windows in each cell. Work is now proceeding on the new design for the remaining cellhouses. The interior of "A" cellhouse has been completely removed and the construction work is proceeding with completion scheduled for the fall of 1987.

Construction of a 98-bed minimum security camp at the USP at Atlanta, Georgia began in 1983 and was completed in July 1984. This is the first phase of the renovation of the penitentiary to a modern correctional institution. In addition, a conceptual design to convert the 5 tier cell blocks to three 2 story housing units has been completed. Due to the continued presence of Marielito Cubans, the emphasis for the modernization has been shifted to utility and non-housing areas.

The renovation of the deactivated Air Force Base at Duluth, Minnesota, which began in 1983, and a former seminary in Loretto, Pennsylvania were completed in 1986. These facilities added 711 and 415 capacity respectively to the Federal Prison System. In addition, renovation of the former state hospital in Rochester, Minnesota continues with completion expected in 1987. This facility will eventually have a capacity of 475.

Program Changes: In 1988, FPS is requesting 36 positions, 36 workyears and $61,929,000 to accomplish important major modernization and repair projects; to continue fire safety and environmental improvements; modernize U.S. Penitentiaries; and to construct new inmate housing at existing institutions increasing capacity by 850 beds.

Facility Improvements. The request includes 7 positions, 7 workyears and $10,725,000 to maintain investment in plant through an adequate program of institutional renovation and repair. Following are the proposed projects:

1. Convert FCI Terminal Island to a Security Level 3 Facility. This request includes 1 position, 1 workyear and $2,287,000 to relocate sensitive functions to outside the perimeter fence.

2. Construct a Segregation Unit at FCI Tallahassee. This request includes 1 position, 1 workyear and $2,856,000 to construct a new 75-bed segregation unit and receiving and discharge facility.

3. Renovate Food Service at FCI El Reno (Phase 2). This request includes 1 position, 1 workyear and $1,200,000 to complete the renovation of food service facilities.

4. Expand Housing Unit at FCI Sandstone. This request of 1 position, 1 workyear and $140,000 is required to modify existing space into dormitory style living quarters and provide space for an additional 60 beds.

5. Repair Roofs at FCI Englewood. This request of $700,000 is required to replace existing roofs and insulation.

6. Construct Sewage Treatment Lagoon System at FCI La Tuna. This request includes $485,000 to design and construct a sewage system to provide for present and projected future needs.

7. Replace the Inner Fence at FCI Ray Brook. This request of 1 position, 1 workyear and $500,000 is required to construct a new inner fence to correct security problems.

8. Improve Perimeter Security at FCI Tallahassee. This request totalling 1 position, 1 workyear and $451,000 is required to install a microwave detection system, man barrier wire and razor ribbon around the perimeter and cameras at the rear gate.

9. Renovate "A" Cellhouse at FCI El Reno (Phase 2). This request includes 1 position, 1 workyear and $2,106,000 for the renovation of 120 cells.

1985

Fire Safety/Environmental Improvements. This request includes $7,504,000, 18 positions and 18 workyears to continue fire safety improvements and to clean up and remove hazardous materials from FPS institutions.

Modernization of Antiquated U.S. Penitentiaries. The Congress has directed the Bureau of Prisons to renovate the U.S. Penitentiaries at Leavenworth, Kansas and Atlanta, Georgia. Some work has been accomplished at both of these institutions. This request for $17,000,000, 5 positions and 5 workyears would allow continuation of these projects as follows:

1. Continue Modernization at Leavenworth Penitentiary. The Congress directed the Bureau in November 1979 (P.L. 96-132, Department of Justice 1980 Authorization Act), to begin the renovation of the U.S. Penitentiary, Leavenworth, Kansas for conversion to a modern correctional facility by 1985. The project was begun with inmate labor but it was later determined necessary to contract for the majority of work, at additional cost. Rereview and further cost analysis showed that continuation of the project remained more cost effective than new construction of comparable capacity. Approved funding through 1986 totals $21.2 million. Renovation of Cellhouse "E" has been completed and Cellhouse "A" renovation is underway. No new funds were provided in the 1987 budget. The requested funding for 1988 of 2 positions, 2 workyears and $7,000,000 will provide for the renovation of "C" and "D" Cellhouses and will complete the renovation of all cellhouses at Leavenworth.

2. Continue Modernization at Atlanta Penitentiary. In February 1982, Congress approved the Department's request to cancel the plan to close the U.S. Penitentiary, Atlanta, Georgia in order to provide housing for the Mariel/to Cuban detainees. At the same time, the Congress directed that Atlanta also be converted to a modern correctional facility. Funding approved through 1986 totals $12,378,000. No new funds were provided in the 1987 budget. Renovation of the cellhouses has not begun because of the Cuban detainee population. Work thus far has involved renovation of support facilities such as utilities systems, warehousing and recreation areas, etc. This request of 3 positions, 3 workyears and $10,000,000 provides the funds needed to begin renovation of inmate housing.

Expand Capacity at Existing Institutions. To reduce overcrowding and to minimize the construction of new institutions, FPS continues to review the opportunities for expansion of existing facilities. This request for $26,700,000, 6 positions and 6 workyears would increase capacity at existing institutions by a total of 850 beds. The projects are as follows:

1. Construct a Satellite Camp at FCI Ashland. This request includes 1 position, 1 workyear and $5,900,000 to construct a 150-bed minimum security camp.

2. Construct a Satellite Camp at FCI Memphis. This request of 1 position, 1 workyear and $5,900,000 is required to construct a 150-bed minimum security camp.

3. Construct a Satellite Camp at FCI Talladega. This request totals 1 position, 1 workyear and $5,900,000 to construct a 150-bed minimum security camp.

4. Expand Camp at Atlanta Penitentiary. This request of 1 position, 1 workyear and $3,000,000 is required to construct a 150-bed addition to the existing satellite camp.

5. Construct a New Housing Unit at FCI, Morgantown. This request provides 1 position, 1 workyear and $3,500,000 to construct a 150-bed housing unit.

6. Construct a New Housing Unit at FCI Oxford. This request totals 1 position, 1 workyear and $3,700,000 to construct a 100-bed housing unit.

Federal Prison System

Buildings and Facilities

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Planning and Site Acquisition			New Construction			Modernization & Repair			Total		
	Pos.	Oblig.	Budget Auth.1/	Pos.	Oblig.	Budget Auth.1/	Pos.	Oblig.	Budget Auth.1/	Pos.	Oblig.	Budget Auth.1/
GS/GM 13	2	$78		...	...		...	...		2	$78	
GS-12	...	...		4	132		2	$66		6	198	
GS-11	...	...		3	82		13	353		16	435	
GS-5	...	...		2	30		5	75		7	105	
Ungraded	...	...		4	128		16	512		20	640	
Total positions and annual rate.	2	78		13	372		36	1,006		51	1,456	
Lapse	...	...		-6	-8			-7		-6	-15	
Total workyears and personnel compensation	2	78	$136	7	364	$1,881	36	999	$936	45	1,441	$2,953
Personnel benefits		2	28		124	401		99	197		225	626
Travel and trans. of persons		1	18		75	261		60	129		136	408
Transportation of things		...	6		22	81		17	40		39	127
Rental payments to others		8	5		436	67		349	33		793	105
Comm, utilities & misc charges		2	...		133	2		107	1		242	3
Other services		476	8,551		26,829	113,963		24,227	58,799		51,532	181,313
Supplies and materials		38	129		2,110	1,830		1,689	901		3,837	2,860
Equipment		3	127		147	1,814		117	893		267	2,834
Lands and structures		...	...		3,529	4,200		...	...		3,529	4,200
Insurance claims and indemnities		...	...		...	...		1	...		1	...
Total workyears obligations and budget authority	2	608	9,000	7	33,769	124,900	36	27,665	61,929	45	62,042	195,429

1/ Budget authority for personnel compensation and benefits are for the life of the project.

1967

Federal Prison System

Buildings and Facilities

Status of Construction and Summary of New Facilities Requirements
(Dollars in thousands)

Project (beds)	Budget Request or Appropriation: Planning and Site Acquis. Fiscal Year	Planning and Site Acquis. Amount	New Construction or Expansion of Existing Facilities: Fiscal Year	New Construction or Expansion of Existing Facilities: Amount	Total Funding	Total Current Cost Estimate or Actual	Status - December 1986: Oblig. to Date	Status - December 1986: Stage of Programs	Estimated Completion Date
New facilities:									
Oakdale ADC (1000)			1982	$17,000	$17,000	$17,000	$16,987	Construction 100% complete	2/86
Los Angeles MDC (588)			1984	40,000	40,000	40,000	37,332	Construction underway	5/88
Fairton FCI (550)	1984	3,400	1985	33,050	36,450	36,450	3,456	Advertising for Bids	9/88
Bradford FCI (700)	1985	3,500	1987	45,800	49,300	49,300	2,820	Finalizing construction documents	6/89
Marianna FCI (750)	1985	3,500	1987	39,675	43,175	43,175	38,727	Construction underway	5/88
Sheridan FCI (800)	1984	5,000	1987 1988	18,320 30,000	23,320 ...	... 53,320	3,301 ...	Finalizing construction documents	4/89
Jesup FCI (700)	1987	5,000	1987	40,000	45,000	45,000	18	Environmental review	9/89
Northeast FCI (700)	1987	5,000	1987	40,000	45,000	45,000	...	Site search	3/90
Northeast FCI (700)	1988	5,000	1988	46,500	...	51,500	...	Site search	10/90
Southeast FCI (700)	1988	4,000	1988	41,000	...	45,000	...	Site search	10/90
Federal Detention Unit (150)			1988	7,000	...	7,000	...		6/91
Surplus facilities:									
Rochester FMC (500)			1984	24,350	24,350	25,411	25,411	Partially operational	5/87
Loretto FCI (460)			1984	4,800	4,800	6,547	6,547	Partially operational	5/87

Status of Construction (Con't)

Project (beds)	Budget Request or Appropriation: Expansion of Existing Facilities — Fiscal Year	Amount	Total Funding	Total Current Cost Estimate or Actual	Status - December 1986: Oblig. to Date	Stage of Program	Estimated Completion Date
Expansion of existing facilities:							
Leavenworth Control/Seg Unit (105).	1983	$4,870	$4,870	$4,870	$499	Redesigned	7/88
Butner Housing Unit (100).....	1983	1,650	1,650	2,099	2,127	Complete	3/86
Tallahassee Housing Unit (100).....	1983	2,100	2,100	2,310	2,320	Complete	2/86
La Tuna Housing Unit (208).....	1983	3,000	3,000	3,000	2,518	Complete	9/86
Butner Seg Unit (24 beds).....	1983	750	750	1,095	1,154	Complete	6/86
Montgomery Housing Unit (160).....	1983	2,250	2,250	2,250	2,028	Contractor defaulted	10/88
Milan Housing Unit (100).....	1985	3,380	3,380	3,380	3,264	60% complete	7/87
Allenwood Housing Unit (150).....	1985	2,000	2,000	2,000	1,926	90% complete	5/87
Miami Housing Unit (100).....	1985	3,000	3,000	3,000	2,956	67% complete	6/87
Seagoville Housing Unit (96).....	1985	1,800	1,800	1,800	177	Final design	8/87
Tucson Housing Unit (94).....	1985	2,050	2,050	2,050	386	Construction contract to be awarded	1/88
Texarkana Housing Unit (100).....	1985	1,925	1,925	1,925	1,810	Construction underway	7/87
Montgomery Housing Unit (160).....	1985	2,250	2,250	2,250	2,250	Contractor defaulted	10/88
Lexington Rehab Bldg to Housing Unit (113).....	1985	750	750	750	758	Complete	7/86
Oxford Seg Unit Expansion(16).....	1986	650	650	650	76	Final design	12/87
Montgomery Housing Unit (160).....	1986	2,600	2,600	2,600	2,019	60% complete	8/87
Safford Seg Unit (10).....	1986	300	300	300		Reprogrammed	
Tallahassee Seg Unit (replacement).	1986	2,720	2,720	2,720	169	Reprogrammed	

Status of Construction (Con't)

Project (beds)	Budget Request or Appropriation: Expansion of Existing Facilities — Fiscal Year	Amount	Total Funding	Total Current Cost Estimate or Actual	Status - December 1986: Oblig. to Date	Stage of Program	Estimated Completion Date
Expansion of existing facilities (Con't):							
El Reno Seg Unit (60)	1986	$2,800	$2,800	$2,800	$14	Planning	12/87
Eglin Housing Unit (98)	1986	2,000	2,000	2,000	774	99% complete	2/87
Englewood Detention Unit (90)	1986	5,400	5,400	5,400	4,906	Construction underway	10/87
Marion Camp Housing Unit (100)	1987	2,000	2,000	2,000	...	Design underway	3/88
Phoenix Camp (150)	1987	4,900	4,900	4,900	...	Design underway	1/89
Ashland Camp (150)	1988	5,500	...	5,500	...		
Memphis Camp (150)	1988	5,500	...	5,500	...		
Talladega Camp (150)	1988	5,500	...	5,500	...		
Atlanta Camp Expansion (150)	1988	3,000	...	3,000	...		
Morgantown Housing Unit (150)	1988	3,500	...	3,500	...		
Oxford Housing Unit (100)	1988	3,700	...	3,700	...		
Atlanta Conversion	1983	770	12,378	66,000	7,222	Satellite camp complete	
	1984	2,400				Design of housing units complete	
	1985	7,744				Master plan complete	
	1986	1,464				Utility upgrades underway	
	1988	10,000					
Leavenworth Conversion	1981	1,850	20,610	42,397	19,663	Completed "B" Cellhouse	
	1983	5,465				"A" Cellhouse 15% complete	
	1984	1,974					
	1985	7,071					
	1986	4,250					
	1988	7,000					

1870

Federal Prison System

Buildings and Facilities

Detail of Permanent Positions by Category
Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized	1988		
			Adjustments to Base	Program Increases	Total
General Administration Clerical and Office Services (300-399)	7	12	-3	6	15
Engineering and Architecture Group (800-899)	24	42	...	8	50
Business and Industries Group (1100-1199)	15	19	-2	20	37
Ungraded	11	11	-1	17	27
Total	57	84	-6	51	129
Washington	8	8	...	10	18
U.S. Field	49	76	-6	41	111
Total	57	84	-6	51	129

Federal Prison System

Buildings and Facilities

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1987 as enacted	84	71	$219,011
Pay supplemental requested	...	...	238
1987 appropriation anticipated	84	71	219,249
Uncontrollable increases:			
One additional compensable day	...	...	8
Annualization of additional positions approved in 1987	...	11	...
Annualization of Federal Employee's Retirement System Costs	...	...	335
Annualization of 1987 pay increase	...	...	64
Within-grade increases	...	...	19
Locality based per diem	...	...	64
Federal Telecommunications System (FTS)	...	...	18
General pricing level adjustment	...	...	545
Total, uncontrollable increases	...	11	1,053
Decreases:			
Positions and workyears associated with closed projects	-6	-5	...
Nonrecurring costs for projects funded in 1987	...	...	-205,389
Reduction in Health Benefits	...	...	-8
Total, decreases	-6	-5	-205,397
1988 Base	78	77	14,905

1988

Federal Prison System

Buildings and Facilities

Justification of Adjustments to Base
(Dollars in Thousands)

Uncontrollable Increase:	Perm. Pos.	Work-years	Amount
1. One additional compensable day..... The annual salary rate for Federal employees is based on 260 paid days. FY 1988 has one more compensable day (262) than 1987 (261).	...	...	$8
2. Annualization of additional positions approved in 1987..... This provides for the annualization of the positions approved in 1987. Funds are available from unobligated balances.	...	11	...
3. Annualization of Federal Employees' Retirement System Costs..... This request provides for the additional costs in 1988 necessary to continue implementation of the Federal Employees' Retirement System Act of 1986, P.L. 99-335. This act established a retirement program for Federal civilian employees and postal workers hired after December 31, 1983 who are covered by social security, and for employees under the Civil Service Retirement System who choose to transfer into the new system. The calculations were determined from an OMB approved formula. Additionally, $42,000 of the 1987 requirement was absorbed. Total annualization required is $335,000.	...	...	335
4. Annualization of 1987 pay increase..... This request provides for the annualization of the January 4, 1987 pay increase. The calculation of the amount required for annualization is based on 261 compensable days in 1987 and 68 paid days (October 1, 1986 through January 5, 1987) that were not included in the pay raise amount of $30,000. Additionally, $30,000 of the 1987 pay requirement was absorbed. Total annualization required is $64,000.	...	...	64
5. Within-grade increases..... This request provides for an expected increase in the cost of within-grade increases. This increase is generally consistent with increases experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment.	...	...	19
6. Locality based per diem..... Public Law 99-234 authorized a new locality-based per diem and lifted the $75.00 ceiling in certain geographic areas. An uncontrollable increase of $64,000 is required.	...	...	64

Justification of Adjustments to Base (Con't)
(Dollars in Thousands)

	Perm. Pos.	Work-years	Amount
7. Federal Telecommunications System (FTS)..... The General Services Administration has increased the 1986 FTS budgeted figure by approximately 16 percent to reflect unanticipated cost increases. In their development of the 1987 and 1988 estimates GSA used the increased 1986 base and included projected tariff increases and costs savings from projects underway. The result is an increase of 32 percent for 1987 and 34 percent by 1988. An increase of $18,000 is requested.	...	...	18
8. General pricing level adjustment..... This request applies OMB pricing guidance as of December 1986 to selected expense categories. The increased costs identified result from applying a factor of 4.0 percent against those sub-object classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1988 estimates.	...	...	545
Total uncontrollable increases.....	...	11	1,053
Decreases (Automatic non-policy):			
1. Positions and workyears associated with closed projects.....	-6	-5	...
2. Nonrecurring costs associated with projects approved in 1987.....	...	...	-205,369
3. Reduction in Health Benefits..... The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1986, the Department's actual contribution to health insurance decreased approximately 13 percent due primarily to reduced carrier rates.	...	...	-8
Total decreases.....	-6	-5	-205,397
Total, adjustments to base.....	-6	-6	-204,344

Federal Prison System

Buildings and Facilities

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1987 Estimate Positions & Workyears	1987 Estimate Amount	1988 Request Positions & Workyears	1988 Request Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
GS/GM-14, $45,763-$59,488	1	$46	1	$46	...	...
GS/GM-13, $38,727-$50,346	9	351	10	390	1	$39
GS-12, $32,567-$42,341	19	627	22	726	3	99
GS-11, $27,172-$35,326	30	815	47	1,277	17	462
GS-10, $24,732-$32,148	2	49	2	49	...	...
GS-9, $22,458-$29,199	2	45	2	45	...	...
GS-5, $14,822-$19,268	6	90	10	150	4	60
GS-4, $13,248-$17,226	3	40	3	40	...	...
Ungraded positions	12	384	32	1,024	20	640
Total, appropriated positions	84	2,447	129	3,747	45	1,300
Pay above stated annual rates	...	7	...	15	...	8
Lapses	-13	-273	-7	-14	6	259
Net permanent	71	2,181	122	3,748	51	1,567
Average GS/GM salary		($28,653)		($28,072)		
Average GS/GM grade		(10.7)		(10.6)		

72-166 O—87——44

Federal Prison System

Buildings and Facilities

Summary of Requirements by Grade and Object Class (con't)
(Dollars in thousands)

Object Class	1987 Estimate Workyears	1987 Estimate Amount	1988 Request Workyears	1988 Request Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1 Full-time permanent	71	$2,181	122	$3,748	51	$1,567
11.3 Other than permanent	...	76	...	131	...	55
11.5 Other personnal compensation	...	94	...	162	...	68
Total, workyears and personal compensation	71	2,351	122	4,041	51	1,690
12 Personnal benefits		355		610		255
21 Travel and transportation of persons		266		293		27
22 Transportation of things		76		84		8
23.2 Rental payments to others		1,568		1,725		157
23.3 Comm, utilities and misc charges		478		526		48
24 Printing and reproduction		1		1		...
25 Other services		157,217		113,050		-44,167
26 Supplies and materials		7,584		8,342		758
31 Equipment		527		580		53
32 Land and structures		6,975		7,673		698
42 Insurance claims and indemnities		1		1		...
43.0 Interest and dividends		2		2		...
Total obligations		177,401		136,928		-40,473
Unobligated balance, start-of-year		-30,268		-72,116		
Unobligated balance, end-of-year		72,116		145,522		
Total requirements		219,249		210,334		
Relation of obligations to outlays:						
Obligations incurred, net		177,401		136,928		
Obligated balance, start-of-year		107,204		155,525		
Obligated balance, end-of-year		-155,525		-86,076		
Outlays		129,080		206,377		

Department of Justice

Federal Prison System

Federal Prison Industries, Incorporated

Estimates for Fiscal Year 1988

Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes to the Appropriation Language	2
Summary of Requirements	3
Justification of Program and Performance	4
Detail of Permanent Positions by Category	7
Summary of Adjustments to Base	8
Summary of Requirements by Grade and Object Class	9

Federal Prison System

Federal Prison Industries, Incorporated

Summary Statement

Fiscal Year 1988

The Federal Prison System is requesting for Federal Prison Industries, Incorporated for 1988, a total of 1,047 permanent positions and 997 workyears. This request represents an increase of 85 positions and 40 workyears from the 1987 level.

Federal Prison Industries, Incorporated, was created by Congress in 1934 and is a wholly owned Government corporation. The Corporation is authorized to operate industries in Federal penal and correctional institutions and disciplinary barracks (18 U.S.C. 4121-4128). Supervision is provided by the Director of the Federal Prison System who has jurisdiction over all Federal penal and correctional institutions. Profits from the Corporation's industrial activities are used to fund activities which benefit Federal inmates by providing vocational training and for compensating inmates performing in work details in institutional support functions.

Administrative expenses - A board of six directors, appointed by the President and serving without compensation, controls the policies of the Corporation. General management of the Corporation is presently performed by a staff of 29 employees located in Washington, D.C. Expenses of this function are subject to Congressional limitation.

Vocational training expenses - The vocational training expenses limitation provides funds for active educational and vocational training programs that are designed to prepare inmates for productive and meaningful employment upon release. Efforts are being made to explore an increasing range and variety of vocational training opportunities. Expenses of this function are subject to Congressional limitation.

Industrial manufacturing program - Approximately 13,500 inmates will be employed during 1988 in 46 locations in the manufacture of such items as furniture, clothing, electronics, metal and canvas products. They also work in service industries such as furniture refinishing and data processing. All products of the Corporation are sold to Federal agencies. The Department of Defense, the Postal Service, and the General Services Administration are the largest customers. In 1988, an increase of 85 positions and 40 workyears is requested to provide supervision and training for an additional 1,500 inmate employees through the expansion of factories at several institutions and the establishment of new factories at four institutions.

Federal Prison System

Federal Prison Industries, Incorporated

Justification of Proposed Language Changes

The 1988 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Federal Prison Industries, Incorporated

The Federal Prison Industries, Incorporated, is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available, and in accord with the law, and to make such contracts and commitments, without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase of not to exceed five (for replacement only) and hire of passenger motor vehicles, except as hereinafter provided. (18 U.S.C. 4121-4128; Department of Justice Appropriation Act, 1987 as included in Public Laws 99-500 and 99-591, section 101(b); additional authorizing legislation to be proposed.)

LIMITATION ON ADMINISTRATIVE AND VOCATIONAL TRAINING EXPENSES FEDERAL PRISON INDUSTRIES, INCORPORATED

Not to exceed [$2,157,000] of the funds of the corporation shall be available for its administrative expenses, and not to exceed [$7,208,000] for the expenses of vocational training of prisoners, both amounts to be available for services as authorized by 5 U.S.C. 3109, and to be computed on an accrual basis and to be determined in accordance with the corporation's prescribed accounting system in effect on July 1, 1946, and such amounts shall be exclusive of depreciation, payment of claims, expenditures which the said accounting system requires to be capitalized or charged to cost of commodities acquired or produced, including selling and shipping expenses, and expenses in connection with acquisition, construction, operation, maintenance, improvement, protection, or disposition of facilities and other property belonging to the corporation or in which it has an interest. (Department of Justice Appropriation Act, 1987 as included in Public Laws 99-500 and 99-591, section 101(b); additional authorizing legislation to be proposed.)	$2,347,000 $7,371,000

Explanation of Changes

No substantive changes proposed.

Federal Prison System

Federal Prison Industries, Incorporated

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1987 estimate of obligations	962	957	$255,052
1987 pay supplemental requested:			
Administrative expenses	...	...	92
Vocational training expenses	...	...	136
1987 Revised estimate of obligations	962	957	255,240
Uncontrollable increases	...	...	468
1988 base	962	957	255,708

Estimates by budget activity	1986 Actuals			1987 Estimated Obligations			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Administrative expenses	29	27	$1,915	29	29	$2,209	29	29	$2,227	29	29	$2,347	...	...	$120
2. Vocational training expenses	97	82	6,829	97	92	7,344	97	92	7,392	97	92	7,571	...	...	179
Subtotal, funds subject to Congressional limitation	126	109	8,744	126	121	9,553	126	121	9,619	126	121	9,918	...	...	299
3. Cost of production	799	925	146,138	836	836	179,937	836	836	180,339	921	876	195,402	85	40	15,063
4. Other expenses	...	...	29,888	...	...	43,700	...	...	43,700	...	...	47,400	...	...	3,700
5. Buildings and improvements	...	...	13,928	...	...	10,450	...	...	10,450	...	...	11,606	...	...	1,156
6. Machinery and equipment	...	...	12,068	...	...	11,600	...	...	11,600	...	...	16,400	...	...	4,800
Sub-total	799	925	202,052	836	836	245,687	836	836	246,089	921	876	270,808	85	40	24,719
Total	925	1,034	210,776	962	957	255,240	962	957	255,708	1,047	997	280,726	85	40	25,018
Other Workyears:															
Holiday/Overtime		15			15			15			15			...	
Total, Compensable Workyears		921			972			972			1,012			40	

Federal Prison System

Federal Prison Industries, Incorporated

Justification of Program and Performance

Activity Resource Summary
(DOLLARS in thousands)

Activity: Federal Prison Industries, Inc.	1987 Estimated Obligations			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative Expenses	29	29	$2,208	29	29	$2,227	29	29	$2,347	...	...	$120
Vocational Training Expenses	97	92	7,344	97	92	7,392	97	92	7,571	...	...	179
Industrial Operations:												
Cost of Production	836	836	179,937	836	836	180,339	921	876	195,402	85	40	15,063
Other Expenses	...	...	43,700	...	...	43,700	...	...	47,400	...	...	3,700
Buildings and Improvements	...	...	10,450	...	...	10,450	...	...	11,606	...	...	1,156
Machinery and Equipment	...	...	11,600	...	...	11,600	...	...	16,400	...	...	4,800
Total	962	957	255,340	962	957	255,708	1,047	997	280,726	85	40	25,018

Federal Prison Industries, Incorporated, was created by Congress in 1934 and is a wholly owned Government Corporation. Its mission is to employ and train Federal inmates through a diversified program providing products and services to other Federal agencies. These operations are conducted in such a manner as to offer a minimum of competition to private industry and labor. Employment provides inmates with work, occupational knowledge and training and experience. New industries which will utilize skills in demand in the labor market are developed, where possible, to replace industries providing less valuable training.

Long Range Goal: Employ all inmates available for work in industries; provide inmate opportunities to acquire work knowledge, skills, training and apprenticeship programs to develop entry level skills.

Major Objectives:

Operate 82 industrial factories and shops with inmate labor.

Provide eventual employment for 45 percent of inmates available for work.

Provide on-the-job training to 13,900 inmates in all industrial factories in 1988.

Provide classroom-type industrial training in electronics.

Provide apprenticeship programs for acquiring trade skills, such as printing, metal working and tool making.

Sell products and services to other Federal agencies at a profit consistent with the goal of remaining financially self-supporting.

Provide pre-industrial training projects to enhance factory operations and provide increased training opportunities.

Fund vocational training projects to enhance and analyze expanded vocational training opportunities for inmates.

Continue to fund inmate performance pay.

Continue implementation of a fully automated management information system.

Base Program Description: Federal Prison Industries, Inc., is entirely self-sustaining. No appropriations are required. Revenues are derived entirely from the sale of products and services to other Federal agencies. Operating expenses are applied against these revenues, resulting in operating income or loss.

Currently, Federal Prison Industries (FPI) addresses the problem of inmate idleness by providing a full-time work program for 41 percent of the total inmate population available for work. More than 50 percent of the inmate population do not have marketable skills. FPI provides a program of constructive industrial work wherein job skills can be developed and work habits acquired.

Institution factories and shops are operated by cadres of civilian supervisors and managers, training and overseeing the work of inmates. The factories utilize raw materials to produce finished goods which are shipped to Government customers, primarily the Department of Defense, the Postal Service and the General Services Administration. Institution factories manufacture such items as furniture, clothing, electronics, metal and canvas products, and provide such services as data processing and furniture refinishing. Orders for goods and services are obtained through marketing and sales efforts by civilian staff. Prices are usually established in negotiation with customer agencies at or near to, but not exceeding, current market prices. A portion of the profits realized by these operations is reinvested to improve facilities, purchase new equipment, maintain state-of-the art capability and provide working capital.

To operate modern factories and shops and produce products that must meet Government specifications requires extensive inmate training because most of the inmates have had no previous training, experience or skills. Much of the needed training occurs on-the-job, with civilian supervisors and experienced inmates explaining and demonstrating the work to newly assigned inmates. Where skills require more formal training, such as computer programming, classroom instruction is provided. Production Training Units, a special type of industry concentrating on training more than production, utilizes a combination of both classroom and on-the-job training to offer a unique and effective method of skill development. Also, registered programs of apprenticeship are in operation and approved by the U.S. Department of Labor's Bureau of Apprenticeship and Training and local unions.

As a manufacturing concern, the Corporation makes capital investments in buildings/improvements, machinery and equipment as necessary in the conduct of its industrial production. Federal Prison Industries currently funds part of the vocational training program within the Federal Prison System.

Other expenses charged to the industrial manufacturing program include inmate accident compensation and Meritorious Service Awards (MSA) to inmates.

Accomplishments and Workload: Actual and estimated accomplishments for Federal Prison Industries, Inc. are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Average inmate employment	9,480	11,455	12,000	13,500
New facilities established	2	1	1	3
Sales	239,230,527	238,342,239	296,677,000	355,100,000
Industrial net earnings retained in the corporation	12,071,223	18,100,000	26,500,000	34,900,000
Use of earnings:				
Vocational training	6,391,000	6,775,562	7,344,000	7,571,000
MSA (performance awards, pay)	5,600,000	6,000,000	6,400,000	6,720,000
Accident compensation	222,000	300,000	300,000	300,000
Retained earnings	9,100,000	5,024,000	9,090,000	14,160,000
Number of shops/factories	77	77	78	82

During 1986, an average of 11,455 inmates were employed at 43 institutions in 77 factories. This represents 41 percent of the working inmate population. Sales exceeded $238 million with net income of $12 million. While maintaining self-sufficiency in its industrial operations, the Corporation increased funding of inmate performance pay from $5.6 million to $6 million. Sales in 1986 also financed modernization of equipment ($12.1 million) and plant facilities ($13.9 million). The raw material inventory module of the MIP system was installed and programs are being tested for production control, inmate payroll and customer order processing. A project team is continuing to develop and implement the automated accounting system.

Also during 1986, a new laundry factory was opened at FPC Montgomery. The furniture product line has been updated and the textile product line expanded. FCI Loretto opened a new factory to make electronic components.

Experimental vocational training programs including oil technology, home entertainment center repair, computer technician courses, diesel engine repair, waste water technology, commercial art and drafting were conducted and are being evaluated for possible future use.

Program Changes: The requested increase of 85 positions and 40 workyears will enable FPI to provide supervisory staff to manage industrial operations to be established at the Los Angeles, California MDC, Marianna, FL FCI and the Fairton, New Jersey FCI, which are scheduled to open in FY 1988. Resources are also requested for operation of the Oakdale, Louisiana Cuban Unit which will be opened in FY 1987 (the 1987 budget contains no activation resources for this facility). Twenty positions will be used to provide supervision for expanded industrial operations at existing institutions. With these resources, the Corporation will be able to employ approximately 1,900 additional inmates. The benefits derived are decreased inmate idleness in overcrowded institutions, increased production and increased sales and profits.

Federal Prison System
Federal Prison Industries, Inc.
Detail of Permanent Positions by Category
Fiscal Years 1986-1988

Category	1986 Authorized	1987 Authorized	1988 Program Increases	1988 Total
Other Legal and Kindred (900-998)	1	1	...	1
Correctional Institution Administration (006)	3	3	...	3
Correctional Officers (007)	3	3	...	3
Personnel Management (200-299)	2	2	...	2
General Admin Clerical and Office Services (300-399)	92	92	9	101
Accounting and Budget (500-599)	102	103	4	107
Engineering and Architecture Group (800-899)	5	5	...	5
Information and Arts Group (1000-1099)	3	3	...	3
Business and Industry Group (1100-1199)	112	115	8	123
Mathematics and Statistics Group (1500-1599)	1	1	...	1
Equipment, Facilities and Service Group (1600-1699)	47	47	...	47
Education Group (1410-1411; 1700-1799)	104	104	...	104
Supply Group (2000-2099)	36	36	...	36
Transportation (2100-2199)	2	2	...	2
Ungraded (culinary, farm, mechanical & construction)	412	445	64	509
Total	925	962	85	1,047
Washington	119	119	...	119
U.S. Field	806	843	85	928
Total	925	962	85	1,047

1984

Federal Prison System

Federal Prison Industries, Incorporated

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1987 estimated obligations	962	957	$255,052
Pay supplemental requested:			
Administrative expenses	...	...	92
Vocational training expenses	...	...	136
1987 revised estimated obligations	962	957	255,240
Adjustments to base:			
Uncontrollable increases:			
Annualization of 1987 pay increase:			
Industrial fund	...	...	402
Administrative expenses	...	...	18
Vocational training expenses	...	...	46
Total, uncontrollable increases	...	...	466
1988 Base	962	957	255,706

Federal Prison System

Federal Prison Industries, Incorporated

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grade and salary ranges	1987 Estimate Positions & Workyears	1987 Estimate Amount	1988 Request Positions & Workyears	1988 Request Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
ES-4, $70,700	3		2		-1	
ES-3, $66,200	...		1		1	
ES-2, $65,700	1		1		...	
GS/GM-15, $53,830-69,976	8		8		...	
GS/GM-14, $45,763-59,488	14		14		...	
GS/GM-13, $38,727-50,346	32		32		...	
GS-12, $32,567-42,341	65		68		3	
GS-11, $27,173-35,326	143		153		10	
GS-10, $24,732-32,148	21		21		...	
GS-9, $22,438-29,199	117		125		8	
GS-8, $20,333-26,435	25		25		...	
GS-7, $18,398-23,866	35		35		...	
GS-6, $16,521-21,480	17		17		...	
GS-5, $14,822-19,268	26		26		...	
GS-4, $13,248-17,226	7		7		...	
GS-3, $11,802-15,339	3		3		...	
GS-2, $10,816-13,611	1		1		...	
Ungraded positions	444		508		64	
Total, positions	962	$27,357	1,047	$31,684	85	$4,427
Pay above stated annual rates		126		130		4
Lapse	-14	-398	-59	-1,793	-45	-1,395
Net permanent	948	26,985	988	30,021	40	3,036
Other than permanent:						
Part-time permanent	6	78	6	79	...	1
Temporary employment	2	23	2	23	...	...
Other part-time and intermittent employment	1	11	1	11	...	...
Other personnel compensation:						
Overtime	14	1,581	14	1,581		...
Other compensation	1	170	1	170		...
Special personal services payments	...	16,260		16,260		...
Total, workyears and personnel compensation	972	45,108	1,012	48,145	40	3,037
Average ES Salary		($67,219)		($66,849)		
Average GS/GM Salary		($27,885)		($27,780)		
Average GS/GM Grade		(9.85)		(9.79)		

Federal Prison System

Federal Prison Industries, Incorporated, Prison Industries Fund

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class		1987 Estimate Workyears	1987 Estimate Amount	1988 Estimate Workyears	1988 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1	Full-time permanent	827	$21,906	867	$24,736	40	$2,830
11.3	Other than full-time permanent	9	98	9	98	...	...
11.5	Other personnel compensation	15	1,751	15	1,751	...	...
11.8	Special personnel services payments	...	16,260	...	16,260	...	...
	Subtotal	851	40,015	891	42,845	40	2,830
12	Personnel benefits		6,096		6,446		350
21	Travel and transportation of persons		1,176		1,434		258
22	Transportation of things		1,416		1,416		...
23.1	Rental payments to GSA		183		189		6
23.2	Rental payments to others		590		640		50
23.3	Communications, utilities, and miscellaneous charges		10,190		10,880		690
24	Printing and reproduction		396		396		...
25	Other services		14,675		15,110		435
26	Supplies and materials		148,900		163,446		14,546
31	Equipment		11,600		16,400		4,800
32	Lands and structures		10,450		11,606		1,156
93	Administrative expenses (see separate schedule)	29	2,209	29	2,347		138
	Vocational training expenses (see separate schedule)	92	7,344	92	7,571		227
	Total workyears and obligations	972	255,240	1,012	280,726	40	25,486

1887

Summary of Requirements by Grade and Object Class (Cont)
(Dollars in thousands)

Object Class		1987 Estimate Workyears	1987 Estimate Amount	1988 Estimate Workyears	1988 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1	Full-time permanent	29	$1,396	29	$1,425	...	29
11.3	Other than full-time permanent	...	14	...	15	...	1
11.5	Other personnel compensation	...	...	...	...	...	...
	Total, workyears and personnel compensation	29	1,410	29	1,440	...	30
12	Personnel benefits		175		191		16
21	Travel and transportation of persons		120		125		5
22	Transportation of things		5		10		5
23.1	Rental payments to GSA		74		86		12
23.3	Communications, utilities, and miscellaneous charges		10		17		7
24	Printing and reproduction		40		43		3
25	Other services		245		250		5
26	Supplies and materials		100		150		50
31	Equipment		90		95		5
99	Administrative expenses included in schedule of funds as whole		-2,209		-2,347		-138
	Total obligations		...		...		...

1388

Federal Prison System

Federal Prison Industries, Incorporated, Vocational Training Expenses

Summary of Requirements by Grade and Object Class (Cont)
(Dollars in thousands)

Object Class		1997 Estimate Workyears	1997 Estimate Amount	1998 Estimate Workyears	1998 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1	Full-time permanent	92	$3,683	92	$3,860	...	$177
	Total, workyears and personnel compensation	92	3,683	92	3,860	...	177
12	Personnel benefits		516		540		24
21	Travel and transportation of persons		75		100		25
22	Transportation of things		18		18		...
23.1	Rental payments to GSA		22		23		1
23.2	Rental payments to others		4		4		...
23.3	Communications, utilities, and miscellaneous charges		86		90		4
24	Printing and reproduction		12		13		1
25	Other services		1,000		1,030		30
26	Supplies and materials		708		687		-21
31	Equipment		1,116		1,082		-34
32	Lands and structures		104		104		...
99	Vocational training expenses included in subtotals for funds as whole		-7,344		-7,571		-227
	Total obligations		...		...		...

OPENING STATEMENT

Mr. EARLY. The Committee is pleased to welcome back the Director of the Federal Prison System, Mr. Norman Carlson. You may proceed with your statement.

Mr. CARLSON. Thank you, Mr. Chairman. I am pleased to be back again this year and appear before you. I am accompanied by Michael Quinlan, the Deputy Director. I thought today would be appropriate to have a Quinlan with me, a little moral support, for St. Patrick's Day. Mr. Chairman, I have a prepared statement which I would like to introduce in the record and briefly summarize, if I may. As you mentioned, we are requesting a total budget of $981,694,000, an increase of $105 million over the current fiscal year. We are requesting a total of 12,213 appropriated positions, an increase of 831 over the current year's appropriation.

POPULATION INCREASE

Without question, Mr. Chairman, the most significant issue that we face in the Federal Bureau of Prisons today is the rapid increase in population. As you know, the population has gone from 23,800 in January of 1981 to 42,106 this morning. That is an increase of over 18,000 inmates, or 77 percent in a period of six years.

Furthermore, we anticipate a continuation of this increase in the months and years ahead. We are projecting in this budget a population in 1988 of 44,800, and we project 55,200 by 1993. I emphasize that those are conservative projections. They do not take into consideration the Anti-Drug Abuse Act which the Congress passed in the last session, nor do they take into consideration the sentencing guidelines that will shortly be submitted by the United States Sentencing Commission for congressional review.

With the support of this committee, we have increased our prison capacity in recent years. The Bureau of Prisons has added 4,500 new beds since 1981. We have done so in three ways. First of all, by expanding existing institutions with additional housing units and opening minimum security camps adjacent to those institutions; secondly, by acquiring surplus facilities such as the former seminary in Loretta, Pennsylvania; the Air Force Base in Duluth, Minnesota and the mental hospital in Rochester, Minnesota; which you and the committee assisted us in acquiring; and finally, by constructing new institutions.

This year we will be adding an additional 1,200 beds at existing institutions, and we also have construction funds currently appropriated for seven new facilities, five of which are under construction. Construction of the other two will begin very soon. Those institutions will add another 4,800 beds to the system.

As you will note in our budget request, Mr. Chairman, we are asking for two additional new institutions, the remainder of the funds that were provided last session by the Congress for the construction of the institution in Sheridan, Oregon, and funds to construct a jail unit for pre-trial detainees.

In addition, we are requesting funds to expand existing institutions at six locations. We are also seeking funds to open the Los Angeles Metropolitan Detention Center all of which is now officially under construction and the Federal Correctional Institutions in

Marianna, Florida, and Fairton, New Jersey, Those institutions will be opened in 1988. In addition we are asking for funds to increase the number of inmates by 725 per day in halfway houses, and are planning a contract for the detention of 500 alien offenders, similar to the contract we operate with the Immigration and Nationalization Service in Houston, Texas.

FEDERAL PRISON INDUSTRIES ROLE

Let me conclude my brief summary, Mr. Chairman, by commenting again on the important role that Federal Prison Industries plays in the Federal Prison System. On any given day, we have over 13,500 inmates working in 79 factories that are run by Prison Industries. This year we anticipate sales of over $270 million to other Federal agencies.

As you know, Federal Prison Industries is a totally self-sustaining operation. No appropriated funds are required, and since 1983 the corporation has re-invested over $67 million back in to plant and equipment modernization. In addition, it funds over $4 million annually for vocational training programs from its profits.

We are requesting in the 1988 budget, a total of 85 additional positions. These are not appropriated positions. They require no funds from the Congress, only the authority to use our profits to fund additional staff so that we can expand the number of factories at existing institutions and establish factories at new institutions as they open.

NATIONAL INSTITUTE OF CORRECTIONS

Finally, Mr. Chairman, I want to comment on the National Institute of Corrections, a small organization which is an adjunct to the Bureau of Prisons. The institute's budget request is $10.5 million and 41 positions. Despite its small size, I believe NIC does an excellent job in providing training and technical assistance to state and local correctional agencies.

With that, I conclude my formal summary, Mr. Chairman, and will be pleased to answer any questions you or your colleagues may have.

[The statement of Mr. Carlson follows:]

DEPARTMENT OF JUSTICE

STATEMENT BY THE DIRECTOR, FEDERAL BUREAU OF PRISONS
NORMAN A. CARLSON
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE,
THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before you again to discuss the Federal Bureau of Prisons' budget request for 1988.

As you will note, we are requesting a total of $881,694,000 and 12,213 appropriated positions for 1988, an increase of $104,941,000 and 831 positions above current year levels.

SUMMARY OF MAJOR REQUESTS

The major thrusts of our FY 1988 budget request include:

- Funding for two new Federal Correctional Institutions, a new Federal Detention Unit, and resources to complete construction of the Federal Correctional Institution at Sheridan, Oregon.
- Activation of the Los Angeles Metropolitan Detention Center and new Federal Correctional Institutions at Marianna, Florida and Fairton, New Jersey; additional housing at three existing institutions; and construction of minimum security camps and additional housing at six existing institutions.
- Expansion of contract confinement programs.
- Essential renovation, modernization, fire safety and environmental improvement projects.

CONTINUED GROWTH IN INMATE POPULATION

Without question, the continuing increase in the inmate population is the most critical issue facing the Federal Prison System. Since January 1981, the Federal inmate population has increased more than 76 percent - from 23,800 to 42,000 today. We project a continuation of this growth. Our FY 1988 budget projects that the population will increase to 44,878 in 1988 and will reach at least 55,200 by 1993.

I want to point out that this projection excludes the potential impact of the recently enacted Anti-Drug Abuse Act of 1986 and the sentencing guidelines to be submitted to the Congress in April this year by the U.S. Sentencing Commission. We anticipate that those two factors will further increase the Federal inmate population above current projections. The Bureau of Prisons is working closely with the U.S. Sentencing Commission to determine the impact of the proposed guidelines on future Federal inmate population levels.

EXPANDING FEDERAL PRISON CAPACITY

With the support of the Administration and the Congress, the Bureau has increased capacity by 4,500 beds since 1981 through expansion at existing institutions, acquisition and conversion of surplus properties and construction of new institutions. Approved expansions at existing institutions will add an additional 1,200 beds when completed this year.

We now have construction funds appropriated for seven major new correctional facilities which will eventually increase capacity by 4,800 beds. Currently under construction are Federal Correctional Institutions in Marianna, Florida and Fairton, New Jersey and a Metropolitan Detention Center in Los Angeles, California. Within the next several months, we will begin construction of Federal Correctional Institutions at Sheridan, Oregon and Bradford, Pennsylvania. We are now preparing the Environmental Impact Statement preliminary to acquiring the site for the sixth facility and are in the process of selecting a site for the seventh new institution.

FY 1988 CAPACITY INCREASES

Mr. Chairman, I believe we must continue efforts to expand prison capacity in order to address the critical overcrowding rate of 50 percent and keep pace with projected increases in the inmate population. Our FY 1988 budget continues this expansion with funding requests of 96.5 million dollars for the construction of two new Federal Correctional Institutions. Together with the requested expansion at existing institutions and the establishment of a detention unit for pre-trial offenders, the FY 1988 budget requests construction funds for an additional 2,400 beds. Our ultimate goal is to increase prison capacity to keep pace with the projected growth in inmate population and reduce the level of overcrowding to about 20 percent by the mid 1990's.

As new construction and housing are completed, activation funding is required to open and operate the facilities. Our FY 1988 budget requests 786 positions and 34.5 million dollars to bring on-line an additional 2,328 beds. Included are the Los Angeles Detention Center, the Marianna, Florida and Fairton, New Jersey Federal Correctional Institutions and new housing at three existing institutions. In addition, we plan to increase the average daily population in community treatment centers by 725 to 3,775 inmates and to contract for a facility to house 500 aliens serving short sentences.

Without question, prison space is a scarce and expensive resource that must be selectively used. I believe this is occurring as Federal law enforcement initiatives continue to focus on white collar offenses, organized crime and major drug-trafficking cases. For example, in just the last five years, the number of inmates confined for drug-related offenses has grown from one fourth to more than one third of the total population, a substantial increase. We have and will continue to undertake the expansion of the Federal Prison System in the most cost effective manner possible. Failure to continue efforts to provide sufficient prison capacity could lead to a "gridlock" in the Federal criminal justice system as has occurred in several state correctional systems. A recent report indicates that over 30 state prison systems are under court order for conditions of confinement and that inmate population limits have been established by the courts for most of these systems.

U.S. PENITENTIARY, ATLANTA, GEORGIA

Mr. Chairman, the Cubans confined at the U.S. Penitentiary, Atlanta, Georgia constitute the most difficult group of inmates to manage which I have encountered in my thirty years of correctional experience.

Since my last appearance before your Committee on March 10, 1986, two significant events have occurred which directly affect the conditions of confinement at Atlanta. On-going renovation plans for the facility were modified to work around the uncertainty of the status of the Cuban detainees while accomplishing other critically needed projects. Improving housing conditions is of the highest priority and we have moved our cellhouse renovation plans forward. As you will note, the FY 1988 budget requests 10 million dollars for the continuation of essential renovation projects at Atlanta.

We have continued efforts to normalize the institutional environment. For example, 630 inmates are now employed by Federal Prison Industries in the manufacture of products for other government agencies. Over 1,200 inmates are permitted movement in the institution for meals, recreation, and other activities. A process of evaluation and orientation for new Cubans arriving from state prisons will allow many of them to move into the mainstream of activities more readily.

The second item of importance affecting the Atlanta institution was the recent decision of the Bureau of Prisons and the Immigration and Naturalization Service to utilize the Federal Detention Center in Oakdale, Louisiana for the housing of Cuban detainees. As you will recall, the Oakdale facility which opened in March, 1986, was originally designated for the processing of alien detainees. In April of last year, we began the construction of a new secure housing unit for Cuban detainees which will be completed this month. This new unit will house Cubans transferred from Atlanta who require mental health programs. The remainder of the facility will house Cubans transferred from Atlanta whose behavior indicates their ability to function in a lower security setting.

We believe the conversion of Oakdale to a Cuban detainee facility is an important step which directly assists the Immigration and Naturalization Service. It will also permit the Bureau of Prisons to accelerate the major renovation projects at Atlanta.

These steps will not solve the Cuban detainee issue but rather serve to mitigate current operating problems. As you are aware, Mr. Chairman, Cubans with Immigration and Naturalization Service detainers continue to be transferred to the Service and subsequently to the Bureau of Prisons from state and local authorities on a daily basis.

Mr. Chairman, I would like to summarize, briefly, the specific increases we are requesting in 1988.

SALARIES AND EXPENSES

For the Salaries and Expenses appropriation we are requesting $760,851,000 and 12,043 positions, an increase of $112,511,000 and 786 positions. Uncontrollable increases account for $52.7 million of this increase for which $28.9 million is required to fully fund the new Federal Employees' Retirement System costs.

The Federal Correctional Institutions in Marianna, Florida and Fairton, New Jersey are scheduled to open in April and September of 1988, respectively. In addition, the Los Angeles Detention Center is scheduled to open in April of 1988. Resources totalling $28.6 million and 696 positions will be required to open and operate these new facilities in 1988.

Also scheduled for completion in 1988 are a 250-bed Cuban unit at the Oakdale, Louisiana Federal Detention Center; a 90-bed detention unit at the Englewood, Colorado Federal Correctional Institution; and a 100-bed expansion of the camp facility at the U.S. Penitentiary, Marion, Illinois. To furnish, equip and staff these new housing units in 1988 will require $5.8 million and 90 positions. Combined with the three new facilities above, all planned activations in FY 1988 will provide for a total capacity increase of 2,328 beds.

To support the projected increase in inmate population in FY 1988, we are requesting $10.3 million. This increase will enable the

Bureau of Prisons to support an average daily inmate population of 44,878, an increase of 2,446 above the level currently budgeted.

The population estimate for FY 1988 reflects an offset in institution-based population based on our proposal to expand the use of community treatment centers from an average daily population of 3,050 to 3,775. An increase of $7.6 million is requested to finance this expansion. In addition, we propose to contract with a private sector firm for the short term detention of 500 sentenced aliens for six months in 1988 at an estimated cost of $2.7 million.

Finally, we are requesting increases of $268,000 to complete the upgrading and productivity improvements to our ADP system, approved and begun in 1987; $2.6 million to finance the projected increased use of the Justice Data Services Center; $1.4 million to replace 106 over-age vehicles which exceed Federal Property Management Regulations replacement criteria; and $400,000 to finance training for approximately one third of the Bureau's medical services personnel, which is designed to advance skills and knowledge to stay current with the rapid advances in medical science and technology.

BUILDINGS AND FACILITIES

We are requesting $210,334,000 and 129 positions for the Buildings and Facilities appropriation in 1988. Of this amount,

$96.5 million is requested for the construction of two new 700-bed Federal Correctional Institutions, one to be located in the northeast and one in the southeast areas of the country. An additional $30 million is requested to provide full funding for construction of the Federal Correctional Institution in Sheridan, Oregon. In addition, we are requesting $7 million for the construction of a new 150-bed detention unit for housing pre-trial prisoners at one of several geographical areas where the absence of jail capacity has become critical.

When activated, the three new facilities requested will increase the rated capacity of the Federal Prison System by 1,550 beds. In reality, of course, we expect that some 2,000 inmates will be housed in these facilities.

In addition to new prison construction, we are requesting $26.7 million and six positions to further increase capacity at six existing institutions. These include satellite camps at the Federal Correctional Institutions, Ashland, Kentucky, Memphis, Tennessee and Talladega, Alabama; expansion of the camp at the U.S. Penitentiary Atlanta, Georgia; and new housing units at the Morgantown, West Virginia and Oxford, Wisconsin Federal Correctional Institutions. These projects combined will add 850 critically needed beds to the capacity of the Federal Prison System.

As you will recall Mr. Chairman, no additional funds were requested in FY 1987 for continuing the modernization of the U.S. Penitentiaries at Atlanta, Georgia and Leavenworth, Kansas. Work on these projects has reached a point where additional funds are required in FY 1988 to continue these modernization programs. We are requesting $17 million and five positions as follows:

- U.S. Penitentiary Leavenworth, Kansas. The request of $7 million and two positions will provide for the renovation of "C" and "D" cellhouses which will complete the renovation of all cellhouses in Leavenworth.
- U.S. Penitentiary Atlanta, Georgia. Because of the importance of improved housing, we have moved cellhouse renovation forward in our modernization plans. The request of $10 million and three positions will enable the Bureau to begin cellhouse renovaton in FY 1988.

To continue our efforts to bring all institutions into compliance with the Life Safety Code, we are requesting 18 positions and $7.5 million to accomplish fire safety improvements at ten institutions and remove hazardous materials at several locations.

Finally, we are requesting $10.7 million and seven positions to accomplish essential plant renovations at eight institutions. These include renovation and expansion of inmate housing, perimeter security improvements, roof replacement, renovation of food services facilities and other critical facilities improvements.

FEDERAL PRISON INDUSTRIES, INCORPORATED

Mr. Chairman, I would like to comment briefly on the critical importance of Federal Prison Industries to our operations. As you know, all Corporate expenses are covered by earnings and no appropriated funds are required from the Congress. There are now over 13,500 inmates employed in a variety of industrial operations in 79 factories, some of which have installed second and third work shifts to increase production and sales. The ability to keep increasing numbers of inmates employed and productive has played an extremely important role in dealing with institutional overcrowding. Since 1983, the Corporation has reinvested 67 million dollars in profits from sales to expand, add and improve facilities and equipment and upgrade and introduce new product lines. This investment has enabled Federal Prison Industries to significantly expand the number, variety and quality of inmate work opportunities.

In addition, the Corporation has increased the number of vocational training programs, established production training units and conducted a variety of experimental vocational training programs. In an innovative effort to provide inmates an incentive to advance their education, an inmate's promotion beyond entry level compensation is denied until the inmate is certified as having attained at least an eighth-grade education.

For FY 1988, the Corporation is requesting an increase of 85 positions to provide supervision for jobs and training for an additional 2,000 inmates through the expansion of industrial

operations at existing institutions and the establishment of new factories at four facilities.

NATIONAL INSTITUTE OF CORRECTIONS

Finally, Mr. Chairman, I want to note that the National Institute of Corrections continues its role as an important force for improvements in state and local correctional agencies through its training and technical assistance services. The Institute's National Academy of Corrections has trained thousands of correctional officers and administrators from all over the nation. The Institute has retained its effectiveness partly because it has remained small and is able to respond directly and promptly to state and local needs.

For FY 1988 we are requesting $10,509,000 and 41 positions for the Institute. The increase of $1,345,000 is required solely to cover the Institute's mandatory, uncontrollable increases.

That concludes my prepared statement, Mr. Chairman. I would be pleased to answer any questions you or your colleagues may have.

SITE DETERMINATION

Mr. EARLY. Mr. Carlson, we are delighted to have you here. I really think your agency faces one of the most serious problems, and it is not right if we don't prepare for what is probably going to happen in a few short years. Apart from $30 million requested to complete the construction of the Sheridan, Oregon, project, the FY 1988 budget includes $103.5 million to construct new Federal Correctional Institutions, one in the Northeast and one in the Southeast, and a new detention unit to house pre-trial offenders. Mr. Carlson, have you identified the sites for any of these facilities at this time?

Mr. CARLSON. Mr. Chairman, we have determined that the site for the pre-trial detention unit will be at Pleasanton, California, a suburb of San Francisco.

We have a critical problem finding local jails to house pre-trial detainees in that district. We were just advised last month by local officials in San Francisco that no longer will the San Francisco County Jail accept Federal prisoners, so we plan to use the $7 million requested to build a jail unit on the grounds of the institution at Pleasanton.

With respect to the two new Federal Correctional Institutions, we have not identified sites as yet for either, although this week I am making a trip and will look at three sites that have potential. Additional interest has been expressed in other communities which may well develop into sites for additional Federal Prisons.

Mr. EARLY. As you noted, this Committee has supported and encouraged your efforts in acquiring and converting surplus military facilities for prison use, as you did with the facility at Duluth, Minnesota. Do you currently have any such plans underway, and if so are they reflected in this budget request?

Mr. CARLSON. Mr. Chairman, they are not reflected in this budget request, but we do have a number of projects underway. Last week I was at Tyndall Air Force Base near Panama City, Florida, where I met with the Commanding General. The Air Force is interested in establishing a small prison camp at Tyndall similar to the one we have at Eglin Air Force Base in Florida.

That appears to be a definite prospect, and we anticipate that we may be able to open such a facility, this fiscal year, or early next year. In addition, we are looking at a former college which is being closed as a possible minimum security institution for female offenders. We hope to come to cloture on that prospect within the next several months.

INMATE POPULATION

Mr. EARLY. I notice in your FY 1988 budget request, that your projections are based on an average daily population of 55,200 inmates by 1993—six years away. In your opinion, does this estimate appear to be on the low side or is this a real estimate?

Mr. CARLSON. Mr. Chairman, I think that is an extremely conservative estimate. I fully anticipate it will far exceed the 55,200 figure, if the Anti-Drug Abuse Act produces the caseload we think it will. As you know, the Congress toughened up the narcotics legislation. They passed legislation which will provide minimum man-

datory sentences for many narcotics offenders. That, alone, I think, will make the 55,200 estimate conservative.

Mr. EARLY. Last Friday, we had Deputy Attorney General Burns in here, Mr. Carlson, and he suggested by 1990 you might have 67,000 incarcerated. What is your concern about that?

Mr. CARLSON. Mr. Chairman, I think the 67,000 figure is much more realistic than the 55,200 projected in this budget. The estimate of 55,200 was developed before the Anti-Drug Abuse legislation had been enacted, and before the United States sentencing Commission guidelines were released in draft forms. I would say the Deputy Attorney General's figure is probably much more accurate than the one I gave you.

Mr. EARLY. Mr. Carlson, you projected in your statement 44,000 incarcerated for 1988. If we go to 67,000 that will be a 23,000 increase in about three years. You have told this Committee in the past that an ideal prison, in your opinion, is what number of beds?

Mr. CARLSON. Approximately 500, Mr. Chairman.

Mr. EARLY. Approximately 500. If that is true, we are talking about—being on the conservative side—a 20,000 inmate increase from 44,000 to 67,000. That is 40 prisons. The average cost for a new prison must be running in the area of about $50 million?

Mr. CARLSON. That's correct.

Mr. EARLY. We have some serious problems.

Mr. CARLSON. There is a substantial financial commitment associated with expanding prison capacity. There is no doubt that if we provide the additional beds it is going to require substantial increases in construction money in future years.

STATE AND LOCAL JAIL CONTRACTS

Mr. EARLY. With the objective of holding down future construction costs, is there any possibility of increasing the number of contracts with state and local agencies to house Federal offenders.

Mr. CARLSON. Mr. Chairman, we continue to survey the state systems as well as local jails, and I can say without hesitation that there is simply no room at the inn. Many states are in far worse shape than we are in terms of prison capacity, and there is no way that we can house any large number of inmates in any state system in this country.

NEW HOUSING FACILITIES

Mr. EARLY. In the past the Bureau has increased capacity at existing institutions by building camps and new housing units. Does your FY 1988 budget proposes any further capacity increases at existing institutions?

Mr. CARLSON. Yes, it does, Mr. Chairman. We propose to add additional housing at six existing institutions in the 1988 budget, and we will also be opening three facilities during the year.

Mr. EARLY. Mr. Carlson, once you identify a site, how long does it take, on the average, for the facility to open its doors?

Mr. CARLSON. The earliest would be three years. That would be an optimistic estimate. Three to four years would be a more realistic timeframe.

Mr. EARLY. The probability that the inmate population will increase by 20,000 in three years, what do you think is going to happen?

Mr. CARLSON. We have a massive undertaking to provide the bed space, if we are going to keep the Federal Criminal Justice System in operation. We certainly don't want it to develop into a situation that some of the states are now facing where a gridlock exists, where there is simply no space in the state prison, and as a result the entire Criminal Justice System has to shut down, so I think we do have a monumental task of providing the beds for these additional inmates.

CURRENT PRISON CAPACITY

Mr. EARLY. What is the current capacity right now? What is the Federal Prison System bedded for?

Mr. CARLSON. Roughly 28,000.

Mr. EARLY. Roughly 28,000, and you have got 43,000. What percentage over——

Mr. CARLSON. We are about 51 percent over design capacity today.

Mr. EARLY. Does this overcrowding create some security problems?

Mr. CARLSON. Yes, it does. Obviously overcrowding tends to lead to acts of violence on the part of inmates. It is a major contributor to institutional unrest in terms of the inmate population, and it is a factor that we are concerned about.

Mr. EARLY. And in your FY 1988 budget you are requesting beds for another 2,400. In your professional opinion will that be adequate to accommodate the growing population?

Mr. CARLSON. It may take care of the anticipated increase in population, but it will not assist in reducing overcrowding.

Mr. EARLY. Can you give us an estimate of how many Federal prisoners you have with sentences of less than two years and a day?

Mr. CARLSON. I can provide that for the record. I don't have that with me, Mr. Chairman.

Mr. EARLY. Would you?

Mr. CARLSON. I would be happy to provide that for the record.

[The information follows:]

FEDERAL PRISONERS WITH SENTENCES LESS THAN TWO YEARS

There are approximately 2,800 Federal prisoners with sentences of less than two years.

POPULATION REDUCTION ATTEMPTS

Mr. EARLY. Are you considering any types of early release formulas or house arrests. I have been reading so much about electronic surveillance, in an effort to reduce the growing population.

Mr. CARLSON. Yes.

Mr. EARLY. I don't want to give the impression I want to put everyone out on the street. But I also see that we can't accommodate 20,000 additional inmates by 1990.

Mr. CARLSON. Mr. Chairman, as I commented in my summary, we are requesting funds to place an additional 725 inmates per day in halfway houses during the next fiscal year. In addition, we have a house arrest program in conjunction with the U.S. Parole Commission and the U.S. Probation Service where inmates who have been in a halfway house and adjusted well are permitted to spend the last two months of their sentence living at home under strict and regimented supervision.

In addition we are now working with the probation service as well as the U.S. Parole Commission in developing a parole regarding the use of electronic monitoring for inmates being released from custody.

Mr. EARLY. Would that be a hand-picked group? In other words, we won't be freeing anyone from Marion, Illinois, the real hardened criminals?

Mr. CARLSON. No, you are correct, Mr. Chairman. This would be for inmates who are not a threat to society. They have not been convicted of acts of violence. They are offenders we think could be adequately supervised in the community, using some of the new technologies such as electronic monitoring.

EARLY RELEASE IN FLORIDA

Mr. EARLY. Mr. Carlson, are you familiar with what the State of Florida just did with regard to early parole and releases?

Mr. CARLSON. I have read news accounts of what has happened in Florida, as well as in some of the other States.

Mr. EARLY. In your statement you said you had how many state prisons? Is it 30 states that are severely overcrowded?

Mr. CARLSON. I believe 38 states are now under some form of Federal Court intervention, where the courts have mandated population ceilings on the prison systems. That, of course, has happened here in the District of Columbia as well as in many of the states that are in this geographic area.

ANNUAL COST PER INMATE

Mr. EARLY. Mr. Carlson, what is the estimated cost per inmate annually for the Federal Bureau of Prisons?

Mr. CARLSON. It is approximately $13,100 for the current fiscal year.

Mr. EARLY. In your opinion, Mr. Carlson, what is the ideal bed capacity for maintaining and controlling the inmate population at a well-run institution?

Mr. CARLSON. Mr. Chairman, 500 is the optimum capacity for our new design, and I think 500 has proved to be an effective base line to use in terms of new construction.

OVERPOPULATION

Mr. EARLY. Mr. Carlson, at what percentage over capacity do you think the security risk increases?

Mr. CARLSON. We can tolerate, Mr. Chairman, a 20 percent level of overcrowding without any serious problems. Once it gets beyond the 20 percent level, I become concerned and particularly as it reaches 30, 40 and now 50 percent over capacity.

72-165 O—87——45

Mr. EARLY. Can you estimate what the overpopulation is at the 45 Federal Correctional Institutes.

Mr. CARLSON. We are currently 51 percent over rated capacity.

FEDERAL PRISONERS WITH AIDS

Mr. EARLY. Mr. Carlson, how many Federal prisoners have AIDS?

Mr. CARLSON. All of the AIDS cases are located in our Medical Center at Springfield, Missouri. All inmates who have actual symptoms of the disease are transferred to the Medical Center and are kept there for the duration of their sentence or until they die. We have some inmates, who tested positive for the antibody located at other institutions. Then are not transferred to Springfield until they develop symptoms of the disease itself.

Mr. EARLY. Is that a hospital?

Mr. CARLSON. Springfield is a hospital, Mr. Chairman.

Mr. EARLY. How many beds at this hospital?

Mr. CARLSON. Approximately 1,300 beds of which half are psychiatric and the other half of which are medical/surgical.

Mr. EARLY. All inmates?

Mr. CARLSON. All inmates; that is correct, sir.

Mr. EARLY. And how many have AIDS?

Mr. CARLSON. We have had a total of 65 diagnosed cases of AIDS since 1981, and 32 of those have died; 12 have been released, and 21 are still at Springfield.

Mr. EARLY. The 12 that were released, had they completed their sentences?

Mr. CARLSON. That's correct. They were released at the termination of their sentences.

Mr. EARLY. Do you know how many AIDS patients we have in state prisons?

Mr. CARLSON. No. Based on some studies at the National Institutes of Justice, the number is substantial, especially in the states of New York and California.

Mr. EARLY. It was alarming to me to see that the State of New York is going to discharge prisoners before their term expires.

Mr. CARLSON. Yes.

Mr. EARLY. I see, Mr. Carlson, the AIDS situation is getting worse. Many of the 50 states won't be able to handle it when they have a few AIDS patients—wouldn't that be a federal role? You discuss how overcrowded you are, but shouldn't we have one Federal prison hospital for all Federal, State, and local inmates that have contracted AIDS? We know the states can't handle that.

Mr. CARLSON. I hadn't thought of that before, but it is certainly something we could consider in the future.

HOSPITAL FACILITIES

Mr. EARLY. How many prison hospitals do you have, Mr. Carlson?

Mr. CARLSON. We have a total of four institutions that have accredited hospitals. Springfield is the largest.

Mr. EARLY. That is 1,300 beds?

Mr. CARLSON. Approximately 1,300 beds.

Mr. EARLY. And where are the other three located?

Mr. CARLSON. Rochester, Minnesota, the facility this Committee helped us acquire a few years ago, has approximately 500 beds. We have a hospital at Butner, North Carolina for mental health cases and a hospital at Lexington, Kentucky in the former U.S. Public Health Service Hospital, which we operate basically for geriatric cases.

Mr. EARLY. How many at Lexington?

Mr. CARLSON. It has a population of approximately 1,600.

Mr. EARLY. And how many beds in the hospital?

Mr. CARLSON. The hospital itself is probably 100 to 150 beds.

Mr. EARLY. We will discuss this later, Mr. Carlson. I will yield to Mr. Rogers at this time.

PRAISE TO CARLSON

Mr. ROGERS. Thank you, Mr. Chairman.

Mr. Carlson, it's good to see you.

Mr. CARLSON. Good to see you again, sir.

Mr. ROGERS. Let me first off compliment you on running a very fine agency. My staff tells me that they get better responses out of your agency than out of any other in the Federal Government.

Mr. CARLSON. I appreciate that.

Mr. ROGERS. I commend you. That is a sign of a good director and a sign of a good staff.

Mr. EARLY. If I can interrupt, Mr. Carlson, he doesn't say that to everybody. A lot of my colleagues say it to everybody, Mr. Rogers doesn't say that to anybody.

Mr. CARLSON. I appreciate it doubly.

CORRECTIONAL OFFICERS STAFFING RATIOS

Mr. ROGERS. Thank you, Mr. Chairman, I think.

Let me ask you about your correctional officers. What is the current ratio of officers to prisoners?

Mr. CARLSON. One correctional officer for every 8.4 inmates.

Mr. ROGERS. Since all your officers are not on duty at any given time, do you have the ratio for a single shift.

Mr. CARLSON. Yes, sir. Each institution has a master roster that is provided and approved by our office, which gives them the number of allocated positions that we believe are essential to maintain the security and safety, but as you point out, it takes five officers to fill a post for 24 hours a day, seven days a week, so that the 1 to 8.4 ratio is actually a misleading figure in terms of the number of officers that are on duty at a given time.

Mr. ROGERS. Do you know what the ratio is for a single shift?

Mr. CARLSON. It varies from institution to institution, and of course depends on the security level of the facility. Marion, Illinois, for example, has a one-for-one ratio use because it is Security Level 6. The minimum security camps have a much higher ratio because they don't require the same degree of security.

At any time during the day, the ratio is 1 to 50 and at night it is 1 to 150. That is the standard we use.

Mr. ROGERS. That is the overall average.

Mr. CARLSON. That is the overall average ratio.

Mr. ROGERS. How does that ratio compare to most state prisons, do you know?

Mr. CARLSON. The state average is one officer for every 4.1 inmates, so we, on the average, have fewer officers per inmate than most states.

Mr. ROGERS. What are your guidelines for the maximum average ratio consistent with safety?

Mr. CARLSON. I would have to supply for the record what our optimum level would be.

Mr. ROGERS. Are you under or over?

Mr. CARLSON. We are definitely under, because of the overpopulation. The Congress, as you recall last year, funded 400 additional correctional officers because of the impact of the Anti-Drug Abuse Act. We sincerely appreciate that recognition on the part of the Congress, recognizing the problem we face.

Mr. ROGERS. Over the last five years, my information is that the number of Federal offenders in the system has increased by 75 percent at the same time your staffing levels have grown only 23 percent.

Mr. CARLSON. That is correct.

Mr. ROGERS. What long-term growth in staffing levels would you need to maintain a ratio that is consistent with some degree of safety?

Mr. CARLSON. I will have to provide that for the record.

Mr. ROGERS. What kind of methods or technologies are you using in your newer facilities to allow you to operate with lower staff levels.

Mr. CARLSON. Congressman Rogers, we are using technology to a considerable extent. We have perimeter detection systems in most of our institutions that provide an electronic alarm system which is sensitive to anyone that touches the fence or comes near the fence line. We also use closed circuit television in most institutions to enhance the performance staff.

We use a variety of other technologies which supplement staff in certain positions.

[The information requested follows:]

STAFF/INMATE RATIO

It should be emphasized that there is no magic number that would ensure the safety of all staff and inmates. Safety is a relative term, dependent on a host of variables much broader than the number of correctional officers available. Our staffing guidelines, which are based on a current rated capacity of 27,889, call for a correctional staff to inmate ratio of 1:6. Further, our current staffing guidelines call for a total staff to inmate ratio of 1:3. The 1988 budget projects a 1993 rated capacity of 44,180. In order to maintain the same staff to inmate ratio, we would have to obtain about 6,200 additional positions between now and 1993. As we add new facilities and expand existing ones, we will continue to request suitable staff complements.

MARIEL CUBANS

Mr. ROGERS. Let me talk to you about the Marielitos. How many do you currently have in Federal prisons?

Mr. CARLSON. Congressman Rogers, we have approximately 2,500 in the Federal Prison System.

Mr. ROGERS. How would you assess them as a population?

Mr. CARLSON. Congressman Rogers, I have been in correctional administration now for 30 years, and there is no group that I have encountered who have been more difficult to manage than the Mariel Cubans. They are extremely dangerous, a volatile group who present a tremendous challenge to our staff.

Mr. ROGERS. Are most of them in Atlanta?

Mr. CARLSON. Yes, sir, 1,800 are in Atlanta. There are 600 more currently confined at the Federal Detention Center at Oakdale, Louisiana.

Mr. ROGERS. What kind of long-term plans do you have for the placement of these prisoners?

Mr. CARLSON. At the present time we hope to transfer 300 of the Mariel Cubans from Atlanta to the Oakdale facility. We are opening a new housing unit which is reflected in the budget request before you. That will allow us to reduce the population at Atlanta to 1,500 which is a size that we think can be operated relatively effectively.

Also, that reduction will permit us to begin a much-needed renovation program in the cell houses at Atlanta. The 300 Cubans going to Oakdale will increase the count there to 900. We have nothing futher under consideration at this time.

Mr. ROGERS. How many of them are serving in state prisons at this time?

Mr. CARLSON. Congressman Rogers, I believe the most recent estimate that I saw from the Immigration and Naturalization Service is about 4,000 who are now serving state sentences, and ultimately will be turned over to the Immigration Service for us to manage at some future date.

Mr. ROGERS. Do you know how many you are getting per year?

Mr. CARLSON. It has been running approximately 25 per month, as I recall, from state prisons.

Mr. ROGERS. So you have roughly 2,000 now, and you will have another 4,000?

Mr. CARLSON. If no other means is found to handle the Marielito problem. We are of course hopeful that at some date we can re-activate an agreement with Cuba to return them to their homeland.

Mr. ROGERS. We need some good workers on the fences down in Guantanamo Bay.

Mr. CARLSON. That has been suggested, Congressman Rogers. I don't make the decision on what to do with them.

Mr. ROGERS. Again, let me congratulate you on a fine job.

Mr. CARLSON. Thank you, sir. I appreciate it.

GUANTANAMO BAY, CUBA FACILITY

Mr. EARLY. I yield to Mr. Mollohan. Mr. Carlson, just one question. Don't we have land at Guantanamo Bay to build a prison?

Mr. CARLSON. Mr. Chairman, there is a Naval base at Guantanamo Bay, but I have no knowledge of what acreage is available there.

Mr. EARLY. They have a prison there, too, don't they?

Mr. CARLSON. I don't think the Navy maintains a brig at Guantanamo.

Mr. EARLY. I yield to Mr. Mollohan.

INMATE POPULATION INCREASE

Mr. MOLLOHAN. Thank you, Mr. Chairman. Mr. Carlson, there have been a number of questions that have explored inmate population into the future. I would like to follow up on some of the members' of the committee concerns as they have expressed them, and explore some of those possibilities.

First, why did the inmate population increase so dramatically over the past seven years?

Mr. CARLSON. Congressman, I think the answer is in two areas. First, there has been a dramatic expansion in the Federal Criminal Justice System. The Congress has provided funds for additional FBI agents, DEA agents, U.S. Marshals, Immigration Service personnel, more assistant U.S. attorneys and, of course, additional Federal judges.

The system has expanded, and I think the result of that expansion is now being felt in the prison system. Beyond that, Congressman, I think there has been a shift in the mood of this country in terms of what to do about those individuals who chronically violate the law. More people are being sent to prison by Federal judges today than in the past, and the sentences they are serving are longer than in the past.

I think both factors have played a role in the dramatic expansion in the prison population.

Mr. MOLLOHAN. Why do you expect a growth in the inmate population to slow down over the next seven years?

Mr. CARLSON. Congressman Mollohan, I have to be candid and say that I don't. I think that the impact of the Anti-Drug Abuse Act alone, as I indicated in my earlier testimony, is going to cause further growth in the prison population.

Mr. MOLLOHAN. The numbers that you relate in your testimony don't take into consideration the Anti-Drug Abuse Act.

Mr. CARLSON. Congressman Mollohan, that is correct. This budget was put together prior to the passage of that Act, which was in the last week, as I recall it, of the last session of the Congress.

PROCESS OF INSTITUTION SITE SELECTION

Mr. MOLLOHAN. What is the status of the site selection process for the seventh new institution?

Mr. CARLSON. We are now looking at a number of sites where communities have expressed an interest. We are now attempting to finalize our decision and ultimately go ahead and begin the environmental impact statement on the site.

Mr. MOLLOHAN. How is that process initiated? Do you express an interest in an area, or does an area express an interest in you, or both?

Mr. CARLSON. Both. We, of course, are not a very popular agency in many areas of the country. Prisons are not attractive, as we find out here in the District of Columbia. Whenever we find a community which does express an interest, we attempt to pursue the possibility.

Mr. MOLLOHAN. When do you project to have settled on a site.

Mr. CARLSON. Hopefully, within the next 30 days?

Mr. MOLLOHAN. That is imminent.

Mr. CARLSON. Yes, it is.

Mr. MOLLOHAN. You have got your prospect, and you are well on the way to reviewing them.

Mr. CARLSON. We have several prospects for those that are now funded. Of course, for the two requested in the 1988 budget which is before you, we have not identified any sites.

CRITICAL GEOGRAPHIC AREAS SHORT OF JAIL CAPACITY

Mr. MOLLOHAN. In connection with your request for a $7 million detention unit for pre-trial prisoners, you allude to "several geographical areas where the absence of jail capacity has become critical."

What are those areas?

Mr. CARLSON. Congressman, there are several. One, of course, is in the northern district of California, the San Francisco area, where we have decided to locate a facility. It will be built within the confines of the Federal Correctional Institution at Pleasanton, California.

We have no local jail space at all for the U.S. District Court in either San Jose or San Francisco, and the U.S. Marshals Service is now confronted with a dilemma having a caseload of 150 prisoners per day in custody, and literally no place to keep them. They are shuttling them back and forth for several hundred miles.

Other areas of the country have a similar problem. Rhode Island, in particular, has a very acute problem. Massachusetts has a problem. The Commonwealth of Puerto Rico, as well as the State of Hawaii, all have significant detention problems. At the present time, the San Francisco area is the most acute insofar as the Bureau of Prisons and the U.S. Marshals Service are concerned.

Mr. MOLLOHAN. It would be accurate for me to conclude from that that you are looking for additional capacity in those areas that you have just mentioned.

Mr. CARLSON. Yes, we are.

Mr. MOLLOHAN. That you have critical need.

Mr. CARLSON. Yes.

Mr. MOLLOHAN. Are there any other areas of the country where you need space? Tell me where you are looking in the country.

Mr. CARLSON. In the 1988 budget, as you will note, we have asked for facilities in both the Southeast and the Northeast. Our definition of the Northeast is the Virginia area and north; the Southeast is south of Virginia. We are looking at both those regions of the country for suitable sites for a prison.

Mr. MOLLOHAN. And that is for a permanent facility.

Mr. CARLSON. Yes.

Mr. MOLLOHAN. That is not for transitory confinement?

Mr. CARLSON. That is for convicted offenders who are serving a sentence.

ALTERNATIVES TO INCARCERATION

Mr. MOLLOHAN. What are the alternatives for providing custodial capacity for prisoners? When you look at meeting this dramatically

increasing need that already exists, and the trend suggests it is going to increase, what alternatives do you see to satisfy that?

Mr. CARLSON. One of the most extensively used alternatives to incarceration, which is an option at the very beginning of the system, is the judge placing a defendant on probation or some other form of community supervision.

Mr. MOLLOHAN. Non-confinement.

Mr. CARLSON. Non-confinement. However, I must point out that in the Federal Criminal Justice System there are approximately 115,000 people under some type of jurisdiction on any given day and two-thirds of that number are under some type of community alternative supervision.

Most of those are on probation. I think Federal judges are aware of the need to keep people out of prison who don't require the sanction of imprisonment.

Mr. MOLLOHAN. Have you ever considered to what extent that alternative could take care of this expected increase in the population?

Mr. CARLSON. Congressman Mollohan, I really don't think that it can substantially impact on the future growth for several reasons. One reason is that the number of narcotic violators that are now being convicted has increased substantially. At the present time, nearly 38 percent of the total Federal prison population was convicted for substantial narcotics trafficking offenses. Because of the Anti-Drug Abuse Act, the courts really have no discretion.

The Congress required that courts impose a minimum mandatory sentence for those convicted of narcotic trafficking offenses. So, in a sense, the courts are precluded in terms of the use of alternatives to confinement.

Mr. MOLLOHAN. Was that opinion you have expressed, based on any kind of a study or an analysis, or is that more your intuitive judgment on the subject.

Mr. CARLSON. I would have to agree that it is an intuitive judgment, although I do deal with Federal judges across the country on a regular basis. My assessment is that, in most areas, Federal judges are sensitive to the use of alternatives whenever possible.

Mr. MOLLOHAN. That is an expert opinion, but I am wondering if you are going to look more carefully at that alternative?

Mr. CARLSON. Congressman, there are limits. We have no control over what judges do, as you realize. When a court imposes a sentence, it is a term which we have to carry out, given the structure.

HALFWAY HOUSE USAGE

Mr. MOLLOHAN. Right, I understand. List other alternatives for me to dispose of the increased population you expect.

Mr. CARLSON. The use of halfway houses is probably the one that we use to the greatest extent. As I mentioned earlier in the 1988 budget we are requesting funds to support an increase of 725 inmates per day. This means we will have over 3,000 inmates per day in halfway houses rather than in prison.

That translates to six Federal Correctional Institutions. If we didn't have halfway houses, we would require six more prisons. We are using halfway houses for inmates during the last 120 days of

their sentence. We also have a House Arrest Program for those inmates who have been in a halfway house, have done well, have a job and a place to go, and whom the Probation Service and U.S. Parole Commission agree can safely live at home under some very tightly controlled regulations.

ELECTRONIC MONITORING

Mr. MOLLOHAN. What are the other alternatives?

Mr. CARLSON. The third is the use of the electronic monitoring devices. We are now exploring where we can use these new electronic bracelets to assist in monitoring inmates being released from custody. The idea, of course, is to insure the public is protected and the inmates are where they are supposed to be at any given time, and are not roaming the community at will.

Mr. MOLLOHAN. Any other alternatives?

Mr. CARLSON. Those are the primary ones that we have explored thus far.

ADDITIONAL PRISON CAPACITY

Mr. MOLLOHAN. You plan on building additional prisons and jails, don't you, with excess capacity?

Mr. CARLSON. Excess capacity?

Mr. MOLLOHAN. Well, you plan on building additional prison capacity, do you not?

Mr. CARLSON. Yes, we do.

Mr. MOLLOHAN. That is another alternative, is it not?

Mr. CARLSON. Certainly. These are in addition to the new construction.

Mr. MOLLOHAN. When you look at the housing of additional prisoners, to what extent do you expect to satisfy this increased demand through building additional capacity. How much additional capacity do you expect to build in the next five years.

Mr. CARLSON. I can tell you what has been submitted to the Congress, and I believe about 9,000 additional beds are now funded or are in the 1988 budget request. In future years we will in all probability ask for additional prison construction.

Mr. MOLLOHAN. How much of that will be shared with State or local governments both in the cost and use of the facility? Any of it?

Mr. CARLSON. None of the direct construction costs will be shared with States or local governments. I will point out that we house approximately 2,300 State prisoners under contract, where the States reimburse us for the actual cost of caring for their prisoners. They in turn take approximately a like number of Federal prisoners into State prisons. We have that type of relationship with a number of the State prison systems across the country.

As you probably know all female offenders that are sentenced by the State courts in West Virginia are taken into Federal custody. We have done this for a number of years.

Mr. MOLLOHAN. At Alderson?

Mr. CARLSON. At Alderson, that is correct, sir, and of course it eliminates the need for the State of West Virginia to provide a

separate female institution for the small number of female offenders that are sentenced in that State.

JOINT FUNDING VENTURE FOR FACILITY CONSTRUCTION IN WEST VIRGINIA

Mr. MOLLOHAN. What I am trying to get at, for example, is West Virginia has a problem. They are looking at regional jails, for example, and they have a problem, as does the Federal Government with pay, and I am wondering if there is any potential for the state sharing the cost with the Federal Government in building a facility, and housing federal prisoners, as well as maybe county offenders.

Is that something you have looked at?

Mr. CARLSON. We could explore it but we have never explored joint funding of construction of a facility. We have only taken State prisoners into the institution such as I have described in West Virginia.

Mr. MOLLOHAN. We have Federal prisoners housed, for example, in the county jail in Taylor County. Are you familiar with that?

Mr. CARLSON. I am not.

Mr. MOLLOHAN. In Grafton, West Virginia.

Mr. CARLSON. I know where Grafton is, but I am not familiar with the use of that jail.

Mr. MOLLOHAN. That really helps them run their operation, I know that, and evidently helps the Federal Government, too. These are nonviolent types of offenders.

Thank you, Mr. Chairman.

PRIVATE SECTOR PRISONS

Mr. EARLY. Mr. Carlson, regarding Mr. Mollohan's questions about alternatives, I read in the paper a few years back about the private sector running some prisons of their own. To me it would be a disaster, and I think you have expressed that you have reservations about that also.

If we don't do something and your population increases by 20,000, and we don't have the money to build enough prisons—you won't have many alternatives. Is that going to be one of the things we will probably do. In your opinion, would that be healthy for the country?

Mr. CARLSON. Not in my opinion, sir. As I have testified before, I have no problem with the low security risk such as the alien offenders who are about to be deported. As you will note, we have requested funding for a privately operated facility for those offenders, but these are far different than the typical convicted U.S. citizen who is serving a sentence imposed by a Federal Court.

These are people who are merely being housed until such time as they can be deported, generally back to Mexico or one of the South American countries.

Mr. EARLY. Mr. Carlson, I have about 30 questions regarding AIDS, because I think it will be a big problem in the prisons. I understand the National Institute of Justice estimated that in October of 1986 there were 784 Federal and state prisoners with

confirmed cases of AIDS. This represents an increase of 300 over 1985. Would you have reservations on that number?

Mr. CARLSON. No. I think that is a realistic number, because we have approximately a little less than 10 percent of the total Federal-State prison population, so the numbers would tend to coincide. I think that is a good estimate.

I share your concern, Congressman. I think it is a problem we are just now beginning to fully understand and appreciate, and it has far-reaching consequences not only for prisons, but obviously for society at large.

Mr. EARLY. Mr. Carlson, will you provide for the record a projection of the impact on prisons of recent legislation such as the Comprehensive Crime Control Act, the Immigration Reform and the Anti-Drug? In your professional opinion what kinds of increases and problems are we going to face?

Mr. CARLSON. Yes, sir.

[The information follows:]

PRISON IMPACT DUE TO RECENT LEGISLATION

The Bureau of Prisons' 1988 budget, which was prepared prior to the enactment of the Anti-Drug Abuse Act of 1986, projects that the average daily population in Federal prisons will reach 55,200 inmates by 1993. The Bureau's preliminary analysis of the impact of the Anti-Drug Abuse Act of 1986 indicates that the Federal inmate population could very well increase to 67,000 inmates by 1993.

We also anticipate that the sentencing guidelines to be submitted to the Congress in April by the U.S. Sentencing Commission will further increase Federal inmate population levels. The Bureau and the U.S. Sentencing Commission are working closely together to determine the impact of these guidelines. The Bureau continues to review and analyze these and other factors to assess their impact on future inmate population levels.

JOINT EFFORT WITH THE SENTENCING COMMISSION

Mr. EARLY. Are you actively working with the Sentencing Commission to determine the impact of their proposals.

Mr. CARLSON. Yes, we are, sir. We are working jointly with the U.S. Sentencing Commission and developing projections as to what the impact will be of the guidelines that have now been released.

Mr. EARLY. In your professional opinion, will the Sentencing Commission decrease, hold stagnant or increase the prison population? What is the probability the prison population will change?

Mr. CARLSON. I think there is no question they will further increase the prison population.

Mr. EARLY. Drastically?

Mr. CARLSON. I would hope not drastically. I think the Anti-Drug Abuse Act will have far more drastic impact at least in the short-term on the prison population.

PRISON CONSTRUCTION

Mr. EARLY. Prison construction. Are you requesting full funding for facilities in Fiscal Year 1988?

Mr. CARLSON. Yes, we are, and also for the completion of the Sheridan, Oregon, project that was partially funded by this committee last year.

Mr. EARLY. Is Sheridan, Oregon new construction or was that a facility?

Mr. CARLSON. No, it is new construction.

Mr. EARLY. That is new. You had such success with the Rochester, Minnesota site. That is a perfect example. Are we still searching for current construction?

Mr. CARLSON. Yes, we are. As I mentioned, there is now a college which we are actively considering and hope to come to a conclusion on shortly that may be available for a minimum security female offender institution, which we need.

VOCATIONAL EDUCATION

Mr. EARLY. I notice in your statement, Mr. Carlson, on vocational education, you say you have 79 factories.

Mr. CARLSON. Yes.

Mr. EARLY. Are those all factories on institution grounds?

Mr. CARLSON. They are, sir. They are all within the confines of an institution.

Mr. EARLY. You have 13,000 inmates working there?

Mr. CARLSON. 13,500 on any given day.

Mr. EARLY. Do you have any statistics on the ones that work in those particular factories and it's effect on their rehabilitation rate?

Mr. CARLSON. We are doing that now. We are following up to determine what does happen, particularly for those who have the experience of working in Federal Prison Industries.

OVERCROWDING

Mr. EARLY. Mr. Carlson, if you reach 44,878, prisoners in 1988, are you going to be able to house them with secure apparatus.

Mr. CARLSON. Mr. Chairman, with the support we have received from the Administration and this Committee, as well as the Senate Committee in the last several years, I am optimistic that we are going to be able to stay ahead of a real crisis. We are not going to be able to make any headway on the overcrowding problem in terms of the percentage, but at least we will be able to keep our head above water.

Mr. EARLY. You know this committee has such great respect for you, Mr. Carlson. Are you being fair to our friend, Mr. Quinlan.

Mr. CARLSON. On St. Patrick's Day, I really can't answer that.

Mr. EARLY. Let me ask Mr. Quinlan what are your reservations with regard to this overcrowding?

Mr. QUINLAN. I certainly appreciate the past support that Bureau of Prisons has received from the Administration and the Congress.

It is important that we keep our emphasis on trying to find new alternatives and to obtain the resources from the Administration and the Congress to continue the capacity expansion program.

Overcrowding is a serious problem, but if we keep our attention on it, we can find a solution.

Mr. EARLY. Mr. Carlson, are you satisfied with the Federal Prison Industries and how they are addressing the idea of competition with the private sector and labor and jobs?

Mr. CARLSON. I am very appreciative of the support we have had. From time to time that issue has been raised in the Congress, but I

think that we have tried as diligently as we possibly can to insure that we do not interfere with the private sector any more than absolutely is essential. We diversify whenever possible.

PRISON CONSTRUCTION RATE

Mr. EARLY. I have numerous questions on the Federal Prison Industries that we will submit for the record. Mr. Carlson, in your professional opinion, what number of prisons should we begin construction on this year? You say they take three years to build. Since there is no chance for a decrease in population, in your opinion. How many should we start?

Mr. CARLSON. Congressman Early, the Committee has already funded seven institutions. As you recall, we had five in the last year's budget. The Congress added two additional in the Anti-Drug Abuse Act of 1986. We have requested two more in 1988. That will give us a total of nine, which I think is about all we can handle at this point in time.

Mr. EARLY. But won't the nine be used to house the 44,700 in rates that you are projecting for 1988?

Mr. CARLSON. That is correct, but the nine institutions, Congressman Early, can be overcrowded as well, so at least we will be able to have additional facilities with which we can spread out the overcrowding. I think we are making progress in the short-term in addressing the issue.

SOLE DRUG OFFENDER PRISON

Mr. EARLY. Mr. Carlson, you have told this Committee about the numerous and unique types of problems you have had with drug-related criminals. Now, with the passage of the drug bill we will have a tremendous increase. Should we consider building a prison for just drug offenders?

Mr. CARLSON. Congressman Early, some of our major penitentaries, for example, are becoming just that. This is by far the largest offense category we deal with, and many of our higher security institutions are now accommodating a substantial number of narcotics offenders, particularly those that have histories of violence and aggressive behavior in the community. I think in a sense the system is evolving into precisely what you describe.

Mr. EARLY. Would you, for the record, provide us the feasibility of building a prison in Alaska. Members of Congress have suggested that it might be a good idea. They would probably welcome that, and for the record, show the number of prisoners we have from that state that are incarcerated other than in that state.

Mr. CARLSON. I certainly will, sir.

[The information follows:]

FEASIBILITY OF A PRISON IN THE STATE OF ALASKA

The Bureau of Prisons is continuously searching for sites on which to locate future prisons to help reduce the critical level of overcrowding. At the present time, construction of a prison in Alaska does not appear economically feasible because there are too few Alaskans in the inmate population and the majority of these are State, rather that Federal offenders. Of the total 194 inmates in Federal prisons with Alaska residence, approximately 90 percent have been convicted of State offenses. The bureau will continue to evaluate this situation in the future.

Mr. EARLY. Mr. Carlson, I want to thank you for your testimony. I echo the remarks of Mr. Rogers. I don't know of a Federal agency that is run better, and I don't know of a Federal agency that is more difficult to run. You just don't have a friend anywhere. Until you had the murder of the guards a few years ago, you were understaffed worse than you are today. I just hope we have the foresight to continue to meet your needs. We have serious problems here, and they are not going to go away.

Mr. CARLSON. Let me say thank you very much, Mr. Chairman, and Congressman Mollohan. This is as you probably know my last appearance before the Committee as Director, and I want to sincerely express my appreciation to you and the staff, and all of the members of the Committee over the years.

I go back to the time when John Rooney was Chairman of the Committee, and of course Mr. Slack, now Chairman Smith and yourself, and I sincerely appreciate all the help and support I have consistently received from this Committee in terms of recognizing the problems we face, and trying to help address those issues. I say very sincerely, thanks.

Mr. EARLY. And it has never been a partisan thing.

Mr. CARLSON. No.

Mr. EARLY. Mr. Carlson, thank you very much.

Mr. CARLSON. I appreciate it.

[The questions for the record and the answers submitted thereto, follow:]

QUESTIONS FROM MR. EARLY

Federal Prison System

Alternatives to Incarceration

Question:

Do you believe more could be done in this direction and is the Justice Department devoting sufficient resources to the study of these alternatives?

Answer:

The Federal Judiciary and the Federal Criminal Justice Community traditionally have made extensive use of alternatives to confinement. In 1986, two-thirds of the 115,000 Federal offenders were under supervision in the community. The principal alternative to incarceration continues to be probation. The Bureau of Prisons has also sought alternatives to institutional confinement of prisoners. During the past five years, the Community Treatment Center population was expanded from 948 to approximately 3,050 inmates. This 222-percent increase has reduced significantly the institution-based population. In addition, during the last year 1,168 offenders were placed on special curfew parole status and we are considering the limited use of electronic monitoring for those offenders who do not present a threat to society.

Since the Federal Criminal Justice System already makes extensive use of alternatives to confinement and the Federal inmate population is increasingly becoming more criminally sophisticated, we believe finding additional alternatives to institutional confinement will become more difficult.

Prison Construction

Question:

How many new facilities are you requesting funds for in 1988, what capacity will they provide and when will they be completed?

Answer:

Our 1988 budget includes $130.2 million for the construction of two new Federal Correctional Institutions, a new Federal Detention Unit, and housing expansion at six existing institutions. These new facilities will add a total of 2,400 beds when completed.

We expect to complete the new Federal Correctional Institutions during 1991 and the new Federal Detention Unit and expansion of existing facilities during 1989.

Question:

What is the number of facilities and related funding and inmate capacity you plan to build over the next three years?

Answer:

Our current capacity expansion plan reflected in our 1988 budget provides for the construction of six Federal Correctional Institutions, eight satellite camps and eight housing units at existing institutions. These new facilities will cost about $408 million and will increase the capacity of the Federal Prison System by a total of 7,200 beds when completed.

Question:

What alternatives exist to the construction of new prisons?

Answer:

Unlike most law enforcement activities which can exercise choice in which cases to investigate or prosecute and thus influence control over workload, the Bureau of Prisons has virtually no workload discretion and must accept all inmates sentenced to confinement by the courts. Alternatives to new prison construction available to and used extensively by the Bureau are:

- Contracting with State, local and private agencies for community treatment centers and detention services;
- Expanding capacity at existing institutions through the construction of satellite camps and/or new housing units; and
- Acquiring surplus or other properties for conversion to minimum custody correctional facilities.

Since the end of 1981, the Bureau of Prisons has increased the average daily offender population in contract community treatment centers from 948 to 3,050 offenders and plans to further increase this level in 1988 to 3,775 offenders. During the same time period, average daily Federal inmate population in local contract jails increased from 175 to 1,700 inmates. Because of severe overcrowding in local jail systems, further expansion of local contract detention of Federal inmates is unlikely at this time. We do plan to contract with a private sector firm in 1988 for the short-term detention of approximately 500 sentenced aliens.

Of the 4,500-bed capacity increase in the Federal Prison System since 1981, 3,000 beds have been added through a combination of expansion at existing institutions and the acquisition and conversion of surplus facilities to correctional facilities, such as the facilities at Duluth and Rochester, Minnesota, and Loretto, Pennsylvania. By the end of the current fiscal year, an additional 1,200 beds will have come "on-line" at existing institutions. Our request for 1988

includes funds to activate an additional 440 beds at three existing institutions and to undertake expansion at six more existing institutions which, when completed, will further increase capacity by 850 beds.

Finally, Bureau staff recently visited the Base Commander, Tyndall, Florida Air Force Base, to discuss the possibility of establishing a small minimum security camp for about 150 inmates. High mutual interest indicates that the effort should be successful.

Question:

If you were to construct new or expand old facilities to allow you to fully house your 1993 prison population with reasonable overcrowding, how much would it cost?

Answer:

Our current capacity expansion plan, which would increase prison capacity to 44,180 by 1993, requires an additional $568 million. This plan would allow the Bureau of Prisons to adhere to the goal of reducing overcrowding to about 20 percent. However, it should again be emphasized that this plan was based on a 1993 population projection of 55,200 and that projection excludes the potential impact of the recently enacted Anti-Drug Abuse Act of 1986 and the sentencing guidelines to be submitted to the Congress in April of this year by the U.S. Sentencing Commission. We anticipate that those two factors will further increase the Federal inmate population above current projections and thus will require further prison capacity expansion.

Program Expenditures and Objectives

Question:

You expect to average 44,878 offenders incarcerated in the Federal Prison System during 1988. How many of these will be in Federal prisons? How many in State or local government facilities? How many in private sector-operated facilities?

Answer:

We expect an average daily inmate population of 44,878 in Federal prisons during 1988. In addition, it is anticipated that 2,066 Federal inmates will be housed in State or local government facilities and 3,659 in private sector-operated facilities, primarily community treatment centers. The average daily population figures include only those persons incarcerated in Federally-owned or leased facilities.

Question:

Based on actual experience to date, are you still projecting 44,878 offenders in 1988?

Answer:

No. Preliminary estimates of the effects of the Anti-Drug Abuse Act of 1986 and sentencing guidelines indicate 1988 and outyear population levels substantially higher than those included in the 1988 budget.

Question:

What is the expected annual cost per Federal prisoner in 1988 (a) overall, (b) for those housed in Federal prisons, (c) for those housed in contract State and local government facilities, and (d) for those housed in private sector contract facilities?

Answer:

The overall projected average annual cost per Federal prisoner in 1988 is $15,036. The projected annual cost for those Federal prisoners housed in Federal prisons should average $15,407. For those inmates housed in contract State or local government facilities, we project an average cost of $12,809 annually per inmate. The cost of those inmates housed in private sector contract facilities is estimated at $11,777.

It should be pointed out that programs and services provided in contract facilities are significantly less than in a Federal Correctional Institution. In addition, the higher costs for Federal prisons reflect the higher custody levels of these facilities. The majority of offenders in contract facilities are minimum security offenders. For purposes of comparison, the average annual per capita cost for an offender in the Bureau's level one facilities is projected to be approximately $9,500.

Question:

How many offenders housed in Federal prisons are not Federal offenders? Are you reimbursed for the cost of caring for these offenders? If so, how is the reimbursement rate determined?

Answer:

Currently, there are 982 State and territorial prisoners, and 2,293 District of Columbia prisoners serving sentences in Federal prisons. In accordance with Title 18, United States Code, Section 5003, the Bureau of Prisons provides services to States and other jurisdictions by housing their prisoners on an "actual cost" reimbursement basis.

Rehabilitation

Question:

You state that the Bureau of Prison's mission includes encouraging offenders to participate in rehabilitation programs and activities that can enhance their capability for achieving a crime-free life.

What percentage of the inmate population participates in educational, vocational, and other rehabilitative type programs? What do you do if they refuse to participate?

Answer:

All inmates entering the Federal Prison System are required to participate in the Admission and Orientation process. They are tested and counseled at this time and urged to participate in programs that will be most beneficial to them.

The level of participation by inmates in rehabilitative-type programs varies depending on the security level of the institution. Some institutions have as low as 25 percent inmate participation while others range as high as 75 percent. Included in these percentages are programs designed to teach inmates how to use leisure time positively.

Approximately 25 percent of the inmate population who function below the eighth grade level are required to participate in the Adult Basic Education (ABE) program for at least 90 days. Those inmates who do not acquire minimum ABE skills after 90 days are ineligible for promotion above the entry level labor grade in their respective job.

Participation in all other rehabilitative-type programs is voluntary.

Another important rehabilitative program is the Federal Prison Industries (FPI). Approximately 30 percent (13,000) of our Federal inmate population is currently employed by FPI. These inmates are learning a skill and acquiring work habits which we believe contribute to a successful return to society.

Question:

What is the annual cost per inmate for rehabilitative-type programs?

Answer:

The average annual cost per inmate for educational programs is approximately $575. This includes the cost of Vocational Training programs funded by Federal Prison Industries, Inc.

Question:

How many of your inmates were functionally illiterate when they entered the Federal prison system? What percentage of them will achieve literacy before they are released?

Answer:

Approximately 25 percent of commitments function at less than 8th grade level and may be considered functionally illiterate. While we do not record how many achieve literacy before they are released,

almost 6,000 inmates completed their Adult Basic Education (ABE) requirements during 1986.

Question:

How many of your inmates lack a high school diploma? What percentage of these inmates will receive the general equivalency diplomas before they are released?

Answer:

Approximately 45 percent of our inmates lack a high school diploma at the time of their incarceration. Over 5,000 inmates enrolled in the General Education Development program during 1986 with about 3,000 successful completions.

Question:

How many of your inmates lack a marketable skill? What percentage will learn a job skill before leaving prison?

Answer:

Approximately 60 percent of Federal inmates lack a marketable skill at the time of their incarceration. Each year approximately 15,000 inmates have an opportunity to participate in the occupational education program. These programs, along with over 13,000 jobs available for inmates in Federal Prison Industries, provide an opportunity for most, if not all, inmates who lack a marketable skill to obtain such a skill before they are released.

Question:

About a year ago, you initiated the Special Curfew Parole Program. What are the advantages and disadvantages of this program?

Answer:

Since its inception, 1,168 Federal offenders have been placed in Curfew Parole Status. As a result, the Federal Prison System realized savings in the cost of caring for these offenders of almost $1.2 million. In addition, institution-based population and therefore overcrowding was reduced and during the initial period of parole the releasee has increased community supervision by a U.S. Probation Officer. On the other hand, there are only a limited number of offenders eligible for the Special Curfew Parole Program and the already large caseload of the U.S. Probation Officers is further increased.

Question:

Does the Special Curfew require electronic supervision? How reliable is this? Is this capability likely to lead to more offenders being released under supervision?

Answer:

The Special Curfew Parole Program does not require electronic monitoring. The electronic monitoring equipment on the market appears to be reasonably reliable with some types more reliable than others. The Bureau of Prisons is considering the limited use of electronic monitoring for those offenders who do not present a threat to society. However, since the Federal inmate population is increasingly becoming more criminally sophisticated and two-thirds of 115,000 Federal offenders are already under supervision in the community, it is unlikely that the capabilities will lead to a significant number of additional offenders being supervised in the community.

Question:

You note that your Research Office completed during 1986 a major report on recidivism among Federal offenders. What percentage of the inmates released from Federal prisons are subsequently convicted of new crimes and reincarcerated in Federal or State prisons?

Answer:

In recent recidivism studies, the Office of Research and Evaluation reported the percentage of released inmates who were arrested after release rather than the percentage convicted or recommitted. Arrest is used as the criterion for recidivism for two reasons: 1) arrest is presumed to be a more accurate estimate of actual criminal activity than reconviction or recommitment, and 2) rap sheets often do not contain information on the disposition of arrests; hence, reconviction/recommitment information is often unknown.

A sample of 489 inmates released in 1980 was studied and post-release arrest or warrant issued was the recidivism criterion. Nineteen percent were arrested within one year; 31 percent were arrested within two years, and 38 percent were arrested within three years.

Question:

What factors enhance an inmate's chances of living a law-abiding life upon release?

Answer:

Factors which are related to an inmate's chances of success after release include: criminal history; age; history of drug abuse; and employment. Specifically, investigations of the Salient Factor system which the U.S. Parole Commission uses to assess an inmate's risk of recidivating, have demonstrated that older inmates with no criminal history, no history of drug dependence and a verified history of employment have the best chances for "success".

Question:

Do inmates who participate in your rehabilitative-type programs have a lower recidivism rate than those who do not participate?

Answer:

Generally speaking, rehabilitative program participation is not found to reduce recidivism rates. For specific subgroups of inmates, however, rehabilitative-type programs have been shown to be more effective than no treatment at all. One example is a Bureau of Prisons study which found that halfway house placement reduced recidivism for minority offenders, but had no impact on the recidivism rate for white offenders. In an attempt to clarify the issue further, the Bureau of Prisons has initiated the Post-Release Employment Project (PREP). This study will determine if participation in prison industries, industrial or vocational training, or participation in other prison programs is related to post-behavior (including recidivism).

Question:

Is there any evidence to show that an inmate who achieves literacy, obtains the equivalent of a high school diploma, or develops a job skill is less likely to recidivate?

Answer:

Questions relating recidivism to education and training of inmates will be addressed in the Post-Release Employment Project described in the previous response.

Federal Prison Industries

Question:

What share of the Federal procurement market do you have for each of your major product lines? To what extent are you displacing small business or minority-owned firms?

Answer:

Federal Prison Industries (UNICOR) is unable to obtain total Government procurement data for Government services organized in a manner which parallels the corporation's four product divisions. However, a comparison with the total Government procurement market is helpful. That market is in excess of $200 billion annually. UNICOR's annual sales for 1986 were $250 million, thus constituting less than one-eighth of one percent of the total Government procurement market.

There are no aggregated figures available to indicate the extent to which UNICOR might be displacing small business or minority-owned firms. However, from 60 to 80 percent of all UNICOR procurement

activity is returned to the private sector. A significant percentage of UNICOR's own purchasing is diverted to small business or minority-owned firms, thus further reducing any presumed impact on these firms.

Question:

Federal Prison Industries prices are usually established in negotiation with customers at, or near to, current market prices. How many of your products are based on current market prices?

Answer:

UNICOR establishes prices in negotiation with customers for non-stock items, but also maintains a large number of cataloged items at fixed prices, which are all priced in relation to the current market. These prices are established through market checks conducted by product divisions. Negotiated prices are used for non-cataloged, custom production items, and all customers are still free to request a waiver of UNICOR purchase if the corporation cannot produce the item or service at a competitive price.

UNICOR has experienced very few pricing appeals by customers. The General Accounting Office (GAO), in a November 1985 report on UNICOR products, reviewed UNICOR's pricing policies. The report noted that "UNICOR's clearance practices and the lack of arbitration cases indicate few pricing disputes."

Question:

Do you charge higher prices than what a Federal agency would be required to pay if the agency was allowed to procure competitively from the private sector?

Answer:

UNICOR's policy is to grant clearances when UNICOR's price is found to exceed the market price, and when that price discrepancy cannot be resolved in discussions between UNICOR and agency officials. That practice is in accord with the Federal Acquisition Regulations. The GAO study cited above indicated there were few pricing complaints and their survey of UNICOR customers indicated "UNICOR's prices were reasonable or competitive with other sources of supply".

Question:

When current market prices are available for products identical or similar to those FPI produces, where in the market price range do you set your price? How often do you exceed the lowest market price? How is this justified, given that your operations are quite profitable and that the Federal agencies are required, whenever possible, to buy at the lowest possible market price? How much would your anticipated 1988 profits be reduced if FPI adopted a policy of pricing at the low end of the market price range?

Answer:

UNICOR sets prices quite differently throughout its hundreds of product lines. There is no one set point of reference for choosing a particular place in the market range. In many cases, pricing is driven by the inmate employment environment, rather than the product's relative position in the market's price range. In some product lines, UNICOR actually manufactures products at a loss in order to keep inmates busy, while matching the price of private-sector competitors who are more efficient in their operations.

This lowered efficiency in FPI production stems from the fact that prison industries are necessarily labor intensive, rather than automated. Moreover, there is an unusually high amount of security, search and inmate accountability activity associated with prison industrial operations. These activities include inmate searches, inmate counts, extremely detailed tool control and inventory controls, as well as thorough search of all incoming and outgoing materials for contraband. Taken together, these factors significantly offset UNICOR's lower labor costs, and in many cases make it closely competitive with private-sector manufacture. For that reason, the wide variance in our product lines makes it impossible to commit to any one posture with regard to pricing.

UNICOR operations are not highly profitable when viewed against the program costs which are added to the security constraints that limit efficient production. These include using retained earnings for funding non-appropriated educational and vocational training programs in support of industrial production, payments to non-industrial workers in support of institutional operations, provision of special funding for experimental vocational training programs, and expansion/renovation of UNICOR's capital plant.

Question:

Are agencies charged the same price for the same item? Do some customers pay more than others because they accept your price and do not insist on negotiation? If so, given your position as a mandatory procurement source, shouldn't you either advise all customers that your prices are subject to negotiation or avoid charging different prices for the same item?

Answer:

Customer products or services are negotiated on a per-job basis by the individual product divisions. These negotiation options are available to all customer agencies. With regard to items with established prices on our schedule of products, all agencies pay the same price.

Question:

Federal Prison Industries sells products and services to other Federal agencies at a profit, consistent with the goal of remaining

financially self-supporting. Do you have any policy regarding the amount of the profit the Corporation considers reasonable for overall operations, for an individual product or service, or for a customer order?

Answer:

There is no overall policy regarding the amount of profit the Corporation considers reasonable at any level. Because of our overall goal of employing inmates, products are sometimes produced which, while selling at a fair market price, actually result in an overall loss for the Corporation. Product divisions are expected to contribute to overall Corporate profitability in proportion to their sales, but even within divisions, different products produce varying degrees of profit.

Question:

Recognizing that earnings can always be used to benefit the Corporation or the Federal Prison System, what policies or criteria exist for determining the extent to which earnings will be allocated to such uses, passed on through price reductions as savings for FPI customers, or returned to the U.S. Treasury to achieve overall budgetary savings?

Answer:

The retained earnings of the Corporation are used to fund vocational training and education programs for confined inmates, to fund a supplementary pay program for non-industrial inmate workers, to fund experimental vocational training programs within the scope of our legislation, and to maintain, upgrade and expand our capital plant. This latter category is quite important, as the Corporation is presently undergoing a major construction program. This construction program has been necessary to keep pace with the rapid expansion of the Federal Prison System. Its continuation will be equally important, inasmuch as inmate employment is expected to continue its growth in response to the addition of a large number of new Federal prisons in the next decade.

By using the Corporation's retained earnings to fund these inmate programs and the expansion necessitated by the construction of new Bureau of Prisons' institutions, UNICOR alleviates the need for higher appropriations for the Bureau of Prisons. Moreover, since the Corporation operates in a competitive business environment, retention of earnings across fiscal years enables flexible adaptation to customer needs as well as the ability to respond to the inmate employment needs of the Bureau of Prisons.

AIDS in the Federal Prison System

Question:

How many inmates in the Federal Prison System currently have AIDS?

Answer:

Twenty-one.

Question:

How many in the State and local prisons have AIDS?

Answer:

As of October 1, 1986, there were 1,232 confirmed AIDS cases reported by responding correctional systems to a National Institute of Justice (NIJ) inquiry. Of this number, the Federal Prison System had 65 cases. Since only a limited number of correctional systems responded to the NIJ inquiry, and since the number of confirmed cases only included those who were symptomatic at the time, we assume the actual number of AIDS cases would be higher.

Question:

How many prisoners in each of the Federal, State and local systems have tested positive for the AIDS antibody (HIV)?

Answer:

The Bureau of Prisons does not keep track of the number of Federal prisoners who have tested positive for AIDS antibody (HIV) and are not aware of any report which would include the number of the State and local prisoners who have tested positive for HIV.

Question:

I understand that the National Institute of Justice estimated in October of 1986 that there were 784 Federal and State prisoners with confirmed cases of AIDS and that this represents an estimated increase of over 300 since 1985. Do you agree with these estimates or do you think it is higher?

Answer:

The National Institute of Justice (NIJ) estimate regarding AIDS in correctional settings is based upon a limited number of responding correctional systems. Thus, we have concluded that the actual number of AIDS cases would be higher.

Question:

I also understand that the AIDS problem is particularly acute in the New York-New Jersey and Florida areas, probably due to drug abuse. I also understand that New York State has paroled 50 prisoners early within the last two years because they had acquired AIDS and other States have also followed suit. Have you done this at the Federal level at all? Do you plan to?

Answer:

Dr. Raymond Broadus, Assistant Commissioner of Health Services, New York State Department of Corrections, reports that a large number of their AIDS cases are drug abusers. However, he states that the New York Department of Corrections has not paroled nor granted early release because of the disease AIDS.

In regards to the Federal Prison System, the court has ordered one male released from our custody due to AIDS. In addition, the Federal Prison System petitioned the U.S. Parole Commission and was granted permission to release one female because of AIDS. These decisions are made on a case-by-case basis, taking into consideration community planning. Inmates must meet the criteria for release based upon a terminal illness. Because of the nature of this disease, inmates who meet this criteria are normally too ill to be released to the community. If they are released, they must have a community plan that includes the availability for payment for the medical and personal care they require. Communities and many families are reluctant to assume this responsibility. The final decision to approve release does not rest with the Federal Prison System, but with the U.S. Parole Commission.

Question:

How does the Bureau administratively deal with housing inmates with AIDS or the HIV antibody? Are you relying on the single cell housing?

Answer:

All inmates with AIDS are transferred to one of our medical centers, primarily the medical center for Federal prisoners in Springfield, Missouri. However, inmates who have tested positive with HIV antibody are not transferred to a special facility. Consideration is given to providing inmates who have HIV antibody with a single cell or multiple cell housing with other inmates who have had a positive test result.

Question:

If so, is this creating additional overcrowding problems for you?

Answer:

No, since it does not result in an absolute population increase.

Question:

I also understand that several different types of lawsuits and cases have already been filed regarding health violations and AIDS prisoners? Would you care to comment on this and the projected costs involved?

Answer:

Judgment has not been entered against the Bureau of Prisons concerning AIDS. Some litigation is now pending but does not significantly involve treatment of persons with the disease AIDS.

Question:

Wouldn't the Federal Government be liable in these types of cases?

Answer:

This, of course, will depend on the obligation and individual case circumstances. In general, we do not foresee a great deal of government liability.

Question:

Are all housing and treatment decisions determined on a case-by-case basis or is the Bureau developing guidelines for hospitalization and/or early release of AIDS patients such as in New York?

Answer:

The Bureau of Prisons has issued guidelines to all facilities which basically outlines the handling of all inmates with the HIV infection including those requiring hospitalization. We make the housing and treatment determination on a case-by-case basis.

Question:

What kinds of careful evaluation and ongoing monitoring of inmates suspected of having ARC and AIDS is the Bureau conducting?

Answer:

We evaluate each inmate on a case-by-case basis and provide or monitor care as clinically indicated.

Question:

What kind of mass screening is done for the HIV antibody?

Answer:

The Federal Bureau of Prisons does not mass screen; however, we do test for the HIV antibody when clinically indicated.

Question:

How often do you test for AIDS? Are prisoners randomly sampled or are all periodically tested for AIDS and, how often?

Answer:

The Federal Prisons System only tests for AIDS when clinically indicated.

Question:

What kind of costs are involved in testing?

Answer:

The cost of a basic Elisa test ranges from $3.50 to $40.00 with the average between $20.00 and $30.00. However, if any individual has a positive test, additional testing must be done for the HIV antibodies with this cost ranging from $32.50 to $125.00. Those with symptoms require additional laboratory testing involving a cost up to $600.00.

Question:

How do you view the growth or spread of AIDS in the prison population as compared to the general population?

Answer:

Initially, symptomatic cases seemed to have acquired the infection before incarceration; however, as time goes on the pool of incarcerated HIV-infected individuals will increase. As this occurs, we anticipate a more rapid rise of the disease in the prison population compared to the general population. Of course this is speculative at the present time and is being monitored closely.

Question:

Are any prisoners who have contracted AIDS participating in experimental testing programs with drugs such as AZT, DDC or HPA-23?

Answer:

Five individuals were candidates to receive AZT. Two of those participated and are receiving the drug and three refused. AZT is the only drug presently being used.

Question:

Have any Federal prisoners been "paroled" for that purpose? If so, does this depend on their original sentence? In other words, is their threat to society taken into consideration as well as their medical condition?

Answer:

No Federal prisoners have been paroled for experimental testing programs.

Question:

Has the Department of Health and Human Services or CDC yet commented on early release of AIDS prisoners?

Answer:

No they have not, nor is it expected that they will take an official position on this subject.

Question:

Do we know of any incident of recidivism among released AIDS patients?

Answer:

The Federal Prison System had one case return to date. However, the likelihood of recidivism of true AIDS is less likely to occur because of the serious illnesses incurred with this disease and short life expectancy.

Question:

What does the Bureau do with prisoners who contract AIDS or get cancer, heart disease or other serious diseases, in general? How many FCIs currently have adequate hospital facilities to care for the seriously ill?

Answer:

Prisoners with serious illnesses are transferred to one of the Bureau's medical centers, or hospitalized in a community hospital as their condition permits.

Question:

What kind of costs are involved?

Answer:

Those with AIDS or other types of serious diseases increase not only the direct cost but cause a drain on personnel time available to

provide care to other individuals. This includes physicians, paraprofessionals and security personnel.

Question:

How often are you forced to house seriously ill prisoners in regular hospitals near FCIs? If so, how does the hospital or general population feel about this? And, what kind of security costs are we talking about?

Answer:

During 1986, we housed 1,668 Federal offenders in local community hospitals. All of these required medical care beyond the capabilities of our institutions. While there are some hospitals that may not prefer to house prisoners, so far this has not become a major problem. Additional security cost amounted to almost $2.6 million during 1986.

Question:

Due to the growing incidence of AIDS in the Federal, State and local prison systems, particularly in certain geographic areas (i.e., New York State, New Jersey and Florida have almost 75 percent of correctional AIDS cases in the State prisons), has the Bureau been working with any of the State systems on the idea of constructing or renovating an existing building to be used as a hospital for AIDS patients and/or other seriously ill prisoners?

Answer:

The idea has been discussed at various meetings, but action has not been taken at this time. It is not expected that action in this direction will be taken.

Question:

Can you identify any potential sites for such a hospital? Or cost estimates?

Answer:

Although this has not been looked into in-depth, one certainly would have to consider sites in large metropolitan areas where there is an availability of supportive medical care and other services. Such a facility would be extremely difficult to staff and the cost is projected to be extremely high.

Question:

Are you currently conducting any staff and inmate education programs related to AIDS?

Answer:

All newly committed inmates receive training about the HIV infection and AIDS information pamphlets during the admission orientation program at the institution. All new institutional staff receive a similar program that is updated on a yearly basis.

THURSDAY, MARCH 12, 1987.

OFFICE OF JUSTICE PROGRAMS

WITNESSES

RICHARD B. ABELL, ACTING ASSISTANT ATTORNEY GENERAL, OFFICE OF JUSTICE PROGRAMS

VERNE L. SPEIRS, ACTING ADMINISTRATOR, OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION

JAMES K. STEWART, DIRECTOR, NATIONAL INSTITUTE OF JUSTICE

STEVEN R. SCHLESINGER, DIRECTOR, BUREAU OF JUSTICE STATISTICS

ALLEN J. VANDER-STAAY, BUDGET OFFICER, OFFICE OF JUSTICE PROGRAMS

MICHAEL J. ROPER, DEPUTY COMPTROLLER FOR BUDGET

Mr. DWYER [presiding]. Good morning. Continuing our review of the Department of Justice, we shall now hear testimony from the Office of Justice Programs. The Office of Justice Programs requests $78,303,000 in fiscal year 1988, a decrease of 81 percent from fiscal year 1987 amounts adjusted for proposed supplementals.

We will insert in the record at this point the Office's fiscal year 1988 budget justification.

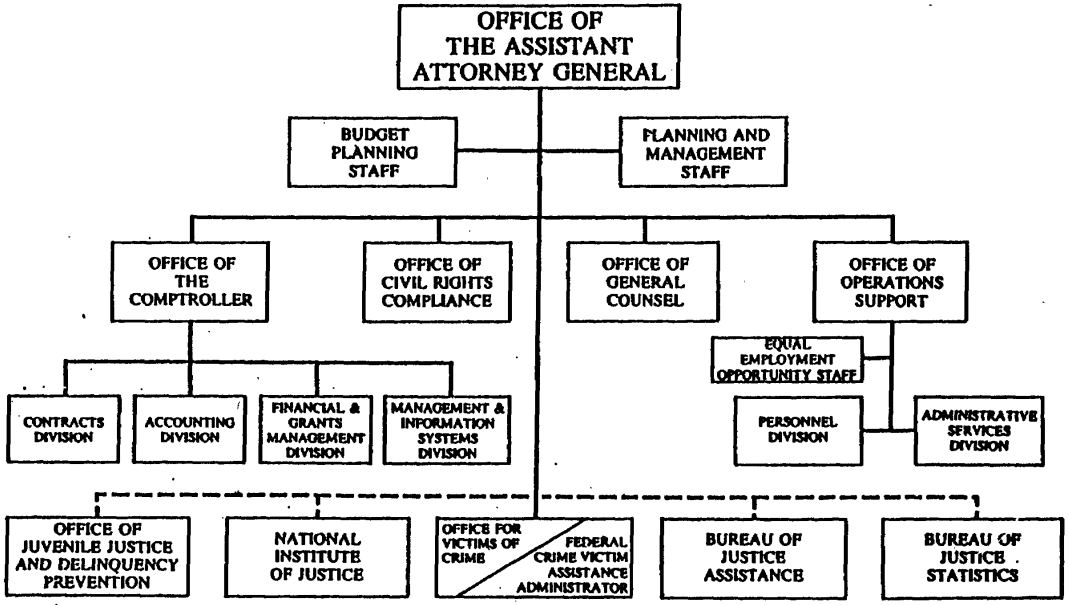
[The justification follows:]

72-165 O—87——46

Department of Justice
Office of Justice Programs
Estimates for Fiscal Year 1988
Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes to the Appropriation Language	5
Crosswalk of 1987 Changes	6
Summary of Requirements	7
Summary of Resources by Program	8
Justification of Program and Performance	9
Financial Analysis - Program Changes	37
Status of Congressionally Requested Studies, Reports, and Evaluations	39
Priority Rankings	40
Detail of Permanent Positions by Category	41
Summary of Adjustments to Base	42
Justification of Adjustments to Base	43
Summary of Requirements by Grade and Object Class	48
Consulting and Related Services	50

OFFICE OF JUSTICE PROGRAMS



NOTE: DOTTED LINES INDICATE GENERAL AUTHORITY, POLICY COORDINATION, AND ADMINISTRATIVE SUPPORT THAT THE ASSISTANT ATTORNEY GENERAL PROVIDES TO THESE OFFICES.

William French Smith

WILLIAM FRENCH SMITH
ATTORNEY GENERAL

12/14/84
DATE

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1441

Office of Justice Programs

Justice Assistance

Summary Statement

Fiscal Year 1988

The Office of Justice Programs is requesting for 1988 a total of $78,303,000, 267 permanent positions, and 301 workyears. This request represents a decrease of $337,756,000 and a decrease of 36 positions and 30 workyears from the 1987 anticipated appropriation of $416,059,000, which provides for 323 positions and 331 workyears.

Budget authority is requested to continue five missions: Research, Evaluation and Demonstration programs which conduct research into all aspects of the criminal justice system; Criminal Justice Statistical programs which provide statistical information dealing with crime and the operation of the criminal justice system at all levels of government; Public Safety Officers' Benefits which provides death benefits to the survivors of public safety officers killed in the line of duty; Missing Children to combat the criminal and sexual exploitation of children; and Emergency Assistance to respond to situations which exceed the capacity of local law enforcement resources. The discontinuation of the Juvenile Justice, State and Local Assistance, Anti-Drug Abuse, Regional Information Sharing System, and Mariel Cubans programs is proposed.

Research, Evaluation and Demonstration Programs

The National Institute of Justice (NIJ) is the principal sponsor of research on crime and the criminal justice system in the United States, and has broad responsibility for developing improved methods of dealing with major criminal justice problems. NIJ currently administers: 1) a core program of research aimed at the causes and control of crime and the improvement of criminal justice practices, 2) a development program designed to translate policy-relevant research findings into practical programs and policies for use by criminal justice agencies, 3) a field test program which provides for on-site experimentation with newly devised crime control strategies, 4) an evaluation program to provide an early assessment of the effectiveness of novel State and local approaches to criminal justice problems, and 5) a dissemination program which uses a variety of strategies to get important research findings and criminal justice program information to practitioners and policy-makers as quickly and completely as possible. The requested amount of $22,094,000 provides a program increase of $2,700,000 for three initiatives to control the supply and demand for illegal drugs.

Criminal Justice Statistical Programs

The Bureau of Justice Statistics (BJS) is responsible for all of the major national statistical series and other sources of data concerning crime and criminal justice with the sole exception of the FBI's Uniform Crime Reports. The mission of the Bureau is twofold: to provide senior officials of the Justice Department, the White House, the Congress, the Judiciary, and the public with valid and timely justice data and analyses relevant to policy decisions, and to support the emerging capacity of State and local governments to use data as a cornerstone of their criminal justice programs. The Bureau of Justice Statistics is requesting for 1988, a total of $20,300,000 in program funds. The request provides an increase of $750,000 for a white-collar crime statistical series initiative.

State and Local Assistance

The Bureau of Justice Assistance (BJA) administers the financial and technical assistance program for State and local criminal justice. Eighty percent of the funds appropriated for State and local assistance are available for the block grant program. Block grants are awarded to the States with each receiving a base amount of $250,000 and the remainder allocated according to relative population. Block grant funds are intended for programs which have a high probability of improving the criminal justice system, with emphasis on violent crime and serious offenders. These funds must be matched on a dollar for dollar basis to assure that the recipient jurisdictions share in the cost of the projects. States and localities are to assume full project costs after three years. Twenty percent of the funds appropriated for State and local assistance are available for the discretionary grant program. Discretionary funds are for training and technical assistance to criminal justice personnel and national or multi-State projects and demonstration programs related to the priority objectives authorized for formula grants. No budget authority is requested for 1988. This program has been funded for three years during which time the States and localities have had an opportunity to implement a number of suggested programs to achieve increased efficiency, reduced costs, or improved services. The States should be willing to pick up their costs from the increased revenues they will be receiving in 1987 and beyond as a result of the Tax Reform Act of 1986.

Emergency Assistance

The Justice Assistance Act of 1984 authorizes the provision of funds, equipment, training, intelligence information and personnel to a requesting State, in the event of a law enforcement emergency. The Act envisions a Federal response to situations which exceed the capacity of local law enforcement resources. Upon request by a Governor, assistance may be provided when the Attorney General, after consultation with appropriate members of the Federal law enforcement community, determines that a law enforcement emergency does exist. The requested amount of $1,200,000 provides a small increase of $52,000 to maintain the program at an adequate level.

Juvenile Justice Program

This program provides funds to States and localities for juvenile justice and delinquency projects in the areas of education, training, research, prevention, treatment, and rehabilitation. The major thrust of the program is to attain deinstitutionalization of status offenders and the separation of juvenile and adult offenders at the State and local levels. Since 1975 almost one billion dollars has been made available for the various programs authorized by the Juvenile Justice and Delinquency Prevention Act. The Administration believes that much has been accomplished in the past 13 years but that it is now time for the States and localities to fund these programs. Therefore, no funds are requested for 1988.

Missing Children

This program was first authorized and funded by Congress in 1985. Funds are used to combat the criminal and sexual exploitation of children by assisting families, citizen groups, law enforcement agencies and government institutions in a national effort to ensure the safety and protection of children. The request for $4,000,000 will continue the program at the same level as 1987.

Public Safety Officers' Benefits Program

The Public Safety Officers' Benefits Program provides a $50,000 death benefit to the eligible survivors of Federal, State and local public safety officers whose death results from a traumatic injury sustained in the line of duty. Public safety officers covered by the program include but are not limited to police, corrections, probation, parole and judicial officers and firefighters. The request of $10,000,000 for 1988 is a slight decrease of $650,000 under 1987 and results from the reduced number of eligible claims paid over recent years.

Mariel Cubans

In 1985 Congress appropriated $5,000,000 to reimburse States for part of the costs of incarcerating Mariel Cubans who had been originally paroled by the Federal Government. No funds are requested for this purpose in 1988.

Regional Information Sharing System

This activity provides funds to maintain seven regionally based information sharing centers throughout the United States which service some State and local criminal justice agencies. Federal funds exceed ninety percent of the cost of maintaining the centers which benefit only a small portion of the law enforcement community. No funding is requested for 1988.

Anti-Drug Abuse Program

This is a new program authorized by the Anti-Drug Abuse Act of 1986 to assist State and local governments in their drug control and enforcement efforts. Types of programs eligible for funding include the apprehension, prosecution, adjudication, detention, and rehabilitation of drug offenders, in addition to drug eradication, treatment for drug offenders, demonstration projects of new and effective drug control techniques and a pilot prison capacity program. Since no funds are requested for 1988, the funds appropriated and awarded in 1987 will permit the States to increase their efforts in reducing the drug abuse problem. The cost of such program increases can be funded by the States from the increased revenues they will receive as a result of the Tax Reform Act of 1986.

Management and Administration

This activity provides for executive direction and control of the National Institute of Justice, the Bureau of Justice Statistics, the Bureau of Justice Assistance, the Office of Juvenile Justice and Delinquency Prevention, the Office for Victims of Crime, and the Office of Justice Programs, as well as the full range of support services. The request of $20,709,000, 287 positions, and 301 workyears provides a decrease of 32 positions, 26 workyears, and $972,000 due to the termination of funding for Juvenile Justice, State and Local Assistance, Anti-Drug Abuse, Mariel Cubans, and the Regional Information Sharing System programs. Included in adjustments to base is a reduction of four positions, four workyears, and $100,000 representing management and productivity savings.

Office of Justice Programs

Justice Assistance

Justification of Proposed Changes in Appropriation Language

The 1988 budget estimates include proposed changes in the appropriations language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Justice assistance

For grants, contracts, cooperative agreements, and other assistance authorized by the Justice Assistance Act of 1984, Runaway Youth and Missing Children Act Amendments of 1984, and the Missing Children Assistance Act including salaries and expenses in connection therewith, $78,303,000

[$115,368,000; and of the unobligated funds previously appropriated for the Juvenile Justice and Delinquency Prevention Act, other than funds subject to provisions of sections 222(b), 223(d), and 228(e) of title II of such Act, $3,500,000 shall be made available for programs authorized under parts D and E of the Justice Assistance Act of 1984, all funds appropriated herein to remain available until expended; and for grants, contracts, cooperative agreements, and other assistance authorized by title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, including salaries and expenses in connection therewith, $70,282,000] to remain available until expended. [In addition, $5,000,000 for the purpose of making grants to States for their expenses by reason of Mariel Cubans having to be incarcerated in State facilities for terms requiring incarceration for the full period October 1, 1986 through September 30, 1987, following their conviction of a felony committed after having been paroled into the United States by the Attorney General: Provided, That within thirty days of enactment of this Act the Attorney General shall announce in the Federal Register that this appropriation will be made available to the States whose Governors certify by February 1, 1987, a listing of names of such Mariel Cubans incarcerated in their respective facilities: Provided further, That the Attorney General, not later than April 1, 1987, will complete his review of the certified listings of such incarcerated Mariel Cubans, and make grants to the States on the basis that the certified number of such incarcerated persons in a State bears to the total certified number of such incarcerated persons: Provided further, That the amount of reimbursements per prisoner per annum shall not exceed $12,000.] 1988

Not to exceed [$64,000,000, shall be obligated during fiscal year 1987] for victim compensation and $35,000,000 assistance programs, notwithstanding section 1402, 1403, or 1404 of the Victims of Crime Act of 1984 (Public Law 98-473).

(Department of Justice Appropriation Act, 1987, P.L. 99-500 and 99-591, section 101(b)).

[For an additional amount for "Justice assistance", $225,000,000, to remain available until expended, for grants for drug law enforcement programs, to be used only to carry out provisions of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended by H.R. 5484 as passed the House of Representatives on October 8, 1986 or similar legislation if enacted into law: Provided, That $2,000,000 shall be available only to carry out a pilot prison capacity program.]

(Omnibus Drug Supplemental Appropriation Act of 1987 as included in P.L. 99-500 and 99-591, Title II).

Explanation of Changes

1. The first change deletes language for the Juvenile Justice program.
2. The second change deletes language for the Mariel Cuban program.
3. The third change deletes language for the drug law enforcement and pilot prison capacity program.

Office of Justice Programs

Justice Assistance

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request Pos.	WY	Amount	Congressional Appropriation Actions on 1987 Request Pos.	WY	Amount	Reprogrammings Pos.	WY	Amount	1987 Supplementals Requested Program	Pay & FERS	1987 Appropriation Anticipated Pos.	WY	Amount
1. Research, Evaluation, and Demonstration Programs.....	...	...	$19,400	...	...	-$834	...	...	...	...	...	...	...	$18,566
2. Criminal Justice Statistical Programs.....	...	...	19,700	...	...	-3,698	...	...	...	...	...	...	...	16,002
3. State and Local Assistance...	...	...	...	...	...	40,000	...	...	...	...	...	...	...	40,000
4. Emergency Assistance.....	...	...	1,200	...	...	-1,200	...	...	...	...	...	...	...	...
5. Juvenile Justice Programs....	...	...	...	...	...	67,600	...	...	...	...	...	...	...	67,600
6. Missing Children.....	...	...	4,000	...	...	...	...	...	...	...	...	...	...	4,000
7. Public Safety Officers' Benefits Program.....	...	...	11,400	...	...	-1,490	...	...	...	...	...	...	...	9,910
8. Mariel Cubans.....	...	...	...	...	...	5,000	...	...	...	...	...	...	...	5,000
9. Regional Information Sharing System.....	...	...	...	...	...	9,900	...	...	...	...	...	...	...	9,900
10. Anti-Drug Abuse Program.....	...	...	...	...	...	225,000	...	...	...	...	...	...	...	225,000
11. Management and Administration	291	305	18,700	32	26	972	...	...	...	27	382	323	331	20,081
Total.....	291	305	74,400	32	26	341,250	...	...	...	27	382	323	331	416,059

Congressional Appropriation Actions

Congress restored $67,600,000 for the Juvenile Justice program and increased resources for administration of the program by $550,000 and 22 positions. Congress also restored $40,000,000 for the State and Local Assistance program and $422,000 and 10 positions for administration of the program. Increases of $5,000,000 for the Mariel Cuban and $9,900,000 for the Regional Information Sharing System programs were also provided. Funding was reduced for the Research, Evaluation and Demonstration program, Criminal Justice Statistical program, Emergency Assistance, and the Public Safety Officer's Benefits program. Congress passed the Anti-Drug Abuse Act of 1986 in which $225,000,000 was appropriated to assist state and local governments in the war against drugs.

Supplementals Requested

1. The supplemental request for $27,000 is for increased Federal Telecommunications system costs.
2. The pay request provides $382,000 to meet increased pay requirements pursuant to P.L. 99-500.

Office of Justice Programs

Justice Assistance

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
Department of Justice Appropriation Act, 1987	323	331	$190,650
Omnibus Drug Supplemental Appropriation Act of 1987	...	...	225,000
1987 as enacted	323	331	415,650
Supplementals requested:			
1987 pay and retirement supplemental	...	...	382
1987 program supplemental	...	...	27
1987 appropriation anticipated	323	331	416,059
Transfers to and from other accounts:			
Financial and Administrative Systems Support group (FASS) from General Administration	...	...	1
Savings resulting from management initiatives	-4	-4	-100
Programs funded from unobligated balances	...	...	11,640
Uncontrollable increases	...	...	2,988
Decreases	...	...	-165
1988 base	319	327	430,423

Estimates by budget activity	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Research, Evaluation and Demonstration Programs	...	...	$18,566	...	...	$19,394	...	...	$22,094	...	...	$2,700
2. Criminal Justice Statistical Programs	...	...	16,002	...	...	19,550	...	...	20,300	...	...	750
3. State and Local Assistance	...	...	40,000	...	...	44,400	...	...	...	...	...	-44,400
4. Emergency Assistance	...	...	...	...	...	1,148	...	...	1,200	...	...	52
5. Juvenile Justice Programs	...	...	67,600	...	...	67,600	...	...	...	...	...	-67,600
6. Missing Children	...	...	4,000	...	...	4,000	...	...	4,000	...	...	...
7. Public Safety Officers' Benefits Program	...	...	9,910	...	...	10,650	...	...	10,000	...	...	-650
8. Mariel Cubans	...	...	5,000	...	...	5,000	...	...	...	...	...	-5,000
9. Crime Control Programs	...	...	...	...	...	...	...	...	...	...	...	...
10. Regional Information Sharing System	...	...	9,900	...	...	12,000	...	...	...	...	...	-12,000
11. Anti-Drug Abuse Program	...	...	225,000	...	...	225,000	...	...	...	...	...	-225,000
12. Management and Administration	323	331	20,081	319	327	21,681	287	301	20,709	-32	-26	-972
Total	323	331	416,059	319	327	430,423	287	301	78,303	-32	-26	-352,120
	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total
EOY Employment:												
Full-time permanent	323	...	323	319	...	319	287	...	287	-32	...	-32
Other	8	...	8	8	...	8	8	...	8	...	...	...
	331	...	331	327	...	327	295	...	295	-32	...	-32

Office of Justice Programs
Justice Assistance
Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1986 as Enacted			1986 Actual			1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Research, Evaluation and Demonstration Programs	...	...	$18,566	...	...	$18,740	...	...	$18,566	...	...	$19,398	...	...	$22,098	...	...	$2,700
Criminal Justice Statistical Programs	...	...	15,982	...	...	16,354	...	...	16,002	...	...	19,550	...	...	20,300	...	...	750
State and Local Assistance:																		
Formula grants	...	...	38,816	...	...	59,867	...	...	32,000	...	...	35,520	...	...	...	...	...	-35,520
Discretionary grants	...	...	9,704	...	...	19,480	...	...	8,000	...	...	8,880	...	...	...	...	...	-8,880
Emergency Assistance	...	...	1,048	...	...	57	...	...	...	...	...	1,148	...	...	1,200	...	...	52
Juvenile Justice Programs:																		
Formula grants	...	...	41,089	...	...	39,190	...	...	42,960	...	...	42,960	...	...	...	...	...	-42,960
Special emphasis	...	...	13,696	...	...	14,959	...	...	14,320	...	...	14,320	...	...	...	...	...	-14,320
National institute of juvenile justice & delinquency prevention	...	...	7,394	...	...	7,249	...	...	7,731	...	...	7,731	...	...	...	...	...	-7,731
Technical assistance	...	...	1,726	...	...	1,506	...	...	2,000	...	...	2,000	...	...	...	...	...	-2,000
Concentration of federal efforts	...	...	789	...	...	643	...	...	589	...	...	589	...	...	...	...	...	-589
Missing Children	...	...	3,828	...	...	6,290	...	...	4,000	...	...	4,000	...	...	4,000	...	...	...
Public Safety Officers' Benefits Program	...	...	10,810	...	...	9,000	...	...	9,910	...	...	10,650	...	...	10,000	...	...	-650
Mariel Cubans	...	...	4,785	...	...	4,785	...	...	5,000	...	...	5,000	...	...	...	...	...	-5,000
Crime Control Programs	...	...	...	...	...	-707	...	...	...	...	...	...	...	...	...	...	...	...
Regional Information Sharing System	...	...	9,478	...	...	7,328	...	...	9,900	...	...	12,000	...	...	...	...	...	-12,000
Anti-Drug Abuse Program	...	...	...	...	...	...	...	...	225,000	...	...	225,000	...	...	...	...	...	-225,000
Management and Administration:																		
Executive direction & control, NIJ	52	52	3,042	52	51	2,765	52	52	3,126	52	52	3,286	52	52	3,286	...	...	...
Executive direction & control, BJS	46	47	2,674	46	47	2,581	46	47	2,747	46	47	2,891	46	47	2,891	...	...	...
Executive direction & control, OJJ	62	62	2,567	62	58	2,519	62	62	2,754	62	62	2,892	40	46	2,342	-22	-16	-550
Executive direction & control, BJA	38	38	1,690	38	32	1,667	38	38	1,709	38	38	1,872	28	28	1,450	-10	-10	-422
Executive direction & control, OVC	28	28	1,300	28	22	1,048	28	28	1,344	28	28	1,432	28	28	1,432	...	...	...
OJP program support services	105	115	6,031	105	112	8,642	97	104	8,401	93	100	9,306	93	100	9,306	...	...	...
Total	334	342	195,011	334	322	223,963	323	331	416,059	319	327	430,423	287	301	78,303	-32	-26	-352,120

Office of Justice Programs

Justice assistance

Justification of Program and Performance

Activity Resource Summary
(Dollars in Thousands)

Activity: Research, Evaluation and Demonstration Programs	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Research, Evaluation and Demonstration Programs.....	...	...	$18,566	...	...	$19,394	...	...	$22,094	...	...	$2,700

Long-Range Goal: To increase knowledge about the causes and control of crime, and the efficiency, effectiveness, equity and responsiveness of the nation's law enforcement and justice administration systems and to disseminate such knowledge to Federal, State and local governments.

Major Objectives:

To advance the cumulation and synthesis of knowledge about the causes and control of crime and to improve State and local criminal justice systems through continued support of justice research programs.

To use research findings to prevent and reduce crime.

To evaluate the effectiveness of justice programs and to make recommendations for improving their operations at the three levels of government.

To develop model programs for improving justice practices and procedures.

To disseminate the results of research, development, evaluation and technology transfer programs to criminal justice audiences.

Base Program Description: The National Institute of Justice is the nation's largest and most comprehensive criminal justice research and development center. As the major national resource for policy-relevant information regarding crime and criminal justice in the United States, the Institute's programs are designed to improve society's ability to control crime and to assist criminal justice practitioners and policymakers in selecting the most effective solutions to their urgent crime problems. The policy options developed through Institute research serve as an inexpensive means of providing Federal criminal justice assistance to States and cities. Institute research products provide policymakers with a range of alternative strategies for improving their crime control efforts without imposing rigid and burdensome Federal requirements.

Each year, the Institute develops a program plan which outlines the critical policy issues which will be addressed by Institute research and development activities. This plan results from extensive consultation with State and local governments, related Federal agencies, criminal justice professional associations and academic researchers. At the request of such organizations as the National Governors Association and the U.S. Conference of Mayors, the Institute Director presents new policy-relevant research findings at national meetings, and uses that opportunity to discover which criminal justice problems are most pressing at the State and local level. In this way, the Institute's research agenda is driven by the practical demands of policymakers, the principal market for research products.

The critical areas which currently are receiving priority attention include: controlling the supply of and demand for illegal drugs; alleviating jail and prison crowding; assisting victims of crime; enhancing involvement of community resources and the private sector in controlling crime; reducing violent crime and apprehending the career criminal; reducing delay and improving the effectiveness of the adjudication process; assessing the impact of probation and parole on subsequent criminal behavior; and enhancing Federal, State and local cooperation in crime control.

Most of the Institute's research projects are implemented by various experts in their particular fields through grants, contracts and cooperative agreements. Moreover, the Institute has established a small in-house research capability to provide quick-response research on important topics of immediate policy-relevant interest. Institute studies on the impact of the exclusionary rule, the economic and social costs of crime as compared to prison construction costs, the effects of changes in drunk driving legislation, and patterns of public safety officer deaths are products of this recent innovation.

Institute research projects conducted by external researchers with grant funds are selected primarily through a competitive solicitation process which uses peer review. For all Institute projects, a staff project monitor works closely with the researcher to assure successful completion of the project and to feed project findings back into the planning process. The Institute's visiting fellowship program provides an opportunity for qualified criminal justice practitioners to undertake research of their own design at the Institute's offices, thereby providing staff with an occasion to draw on the researcher's field perspective and operational experience.

Based upon research and evaluation findings, syntheses and program models are developed which detail the advantages and limitations of a variety of programmatic options in a given topic area. These products are aimed specifically at practitioners to assist them in deciding which research-based innovations may be appropriate for their jurisdiction. Selected model programs are field tested and evaluated to determine the likelihood of success if replicated and institutionalized by State and local government agencies, the private sector, or community organizations. National conferences and training workshops also are conducted in selected areas to acquaint senior officials with new programs or new research findings with significant implications for the management of their agencies. In response to requests from the field, the Institute also produces and disseminates brief policy papers for use by Governors, State legislators, chief justices, court administrators or local executives on topics of particular concern.

Finally, in accordance with its statutory authorization, the Institute operates the National Criminal Justice Reference Service which serves as the principal national and international clearinghouse for the exchange of information on criminal justice issues.

1450

Accomplishments and Workload: Following are recent major accomplishments of the National Institute of Justice categorized by major program area:

Narcotics Enforcement and Prevention: To protect the community, judges who are deciding to release defendants awaiting trial need information on a suspect's drug status. In 1986 NIJ-sponsored researchers used advanced urinalysis technology to: 1) determine the extent of drug use among arrestees and 2) to examine whether urinalysis of users released on bail was more effective than other means of monitoring users. NIJ found that drug use is much higher among arrestees than anticipated. In New York City over 50% had used an illicit drug other than marijuana within 48 hours of arrest. The findings showed that criminals on drugs commit four to six times as much crime as do those same offenders when they are drug free. Finally, the results showed that periodic testing of arrestees is more effective than traditional drug treatment programs or routine pretrial release supervision.

Drugs and Criminal Careers: NIJ and the National Academy of Sciences issued a major report in 1986 which described the role of early and heavy drug involvement in the identification of serious and persistent offenders and in the prediction of future risk.

Prison and Jail Improvements: NIJ initiated three new activities in 1986 to disseminate information on innovative methods to expand the Nation's capacity to incarcerate while reducing the time and/or cost of prison and jail construction. Construction Bulletins are summaries of individual construction projects where time and cost savings have been achieved through better management. The Corrections Construction Directory provides profiles of the 200 construction projects completed since 1978, and the Construction Information Exchange is a computer data base permitting exchange of plans and cost information on facility types. In response to the AIDS epidemic, NIJ and the American Correctional Association published AIDS in Correctional Facilities: Issues and Options.

Less than Lethal Weapons: NIJ sponsored a conference in June 1986 at which the State of the research on nonlethal alternatives to firearms was presented to high-level policy makers, researchers, and police executives. Less than lethal weapons have applications for policing when deadly force is not required as well as for anti-terrorist procedures. Further research and development activities were agreed upon and are being implemented.

Family Violence: NIJ disseminated the results of its experiment evaluating the effectiveness of different police responses to spouse assault. The principal finding was that arrest of the offender was more effective in reducing recidivism than on-scene police counseling or separating the couple for a few hours. NIJ also detailed state-of-the-art procedures involving the police, prosecutors, and courts in Confronting Domestic Violence: A Guide for Criminal Justice Agencies.

Victims: In a study, NIJ found that inadequate notice to victims of crime prevented more than half of the study group from being informed that they could give their views on sentencing or parole decisions for offenders. More than 200 judges participated in a conference on Courts and Victims. NIJ also funded the first comprehensive victim services program at a California hospital which will be a model for other jurisdictions.

Sentencing: Several research projects were funded on the use of incarceration, fines, community service, and community based programs to provide more effective punishment as well as control. NIJ is also intensively investigating the rapidly increasing use of electronic monitors as an aid to probation officers. Using data from NIJ research, the Institute has been advising the Federal Sentencing Commission in its deliberations.

Organized Crime: NIJ sponsored research on drug trafficking, money laundering, and organized crime infiltration of legitimate businesses. The Institute held a symposium to synthesize knowledge of organized crime operations and to establish new research priorities.

Police-Prosecutor Coordination: Six experiments are being conducted to test the impact of a variety of police-prosecutor coordination strategies on reducing felony case attrition and on increasing prosecutorial effectiveness. A project underway in Newport News, Virginia is implementing a new crime analysis concept called prosotive policing. NIJ offered training to municipal police departments on differential police response which classifies calls for service to improve the match between the nature of the call and wide range of potential responses to minimize unwarranted dispatch of police cars, thus saving time and money.

Immigration Enforcement: In cooperation with the INS, two methods of automation are being investigated to reduce the labor costs of monitoring illegal immigration across the U.S./Mexico border. One is the use of a buried cable in Arizona to detect illegal immigrants; the other is the use of artificial intelligence to scan the border with cameras and alert a staff person when the monitor detects someone crossing illegally. NIJ is also funding research into the extent and costs of undocumented alien crime in San Diego and El Paso.

National Criminal Justice Reference Service (NCJRS): NIJ operates NCJRS, the largest national and international information center on criminal justice policy and issues. Over 180,000 documents were distributed, by issue and upon request, to practitioners and researchers in 1986. NCJRS operates on a fee-for-service basis. The net income from the sales offset operating expenses. Sales increased from $260,000 in 1984 to $360,000 in 1986, and growth is anticipated to continue.

Program Change: An increase of $2,700,000 is requested for initiatives to control the supply and demand for illegal drugs. Funds will be used to implement a drug use "early warning" system ($1,350,000), conduct research into the effectiveness of intensive crackdowns on street-level drug dealers ($600,000), and disseminate public service announcements targeted for youngsters and teenagers ($750,000).

The drug use "early warning" system would consist of a pre-trial drug testing program in 25 American cities from which urine samples of 200 persons each would be drawn from the arrestee population. The sample groups would be tested once each quarter to determine if they were engaging in illicit drug use. Test results and analysis would be supplied to law enforcement authorities, treatment/medical systems, and the Drug Enforcement Administration. It is anticipated that the drug use index developed from this activity would allow quick notice of changes in drug use patterns and of variations in regional use. There is increasing evidence that drug users commit fewer crimes while on pre-trial release, probation and/or parole when they abstain from drugs. Recently completed research in the District of Columbia and New York City has established that urinalysis is a particularly effective means of identifying and controlling drug use among defendants released pending trial. The District of Columbia has assumed the full cost of the adult pre-trial drug testing program because: 1) it identifies the worst risks for pre-trial releases; 2) it reduces pre-trial crime by closely monitoring user releases to ensure they remain drug free; 3) it identifies the current drug of choice among the user population, permitting the city to allocate its prevention, investigation and treatment resources accordingly. (For example, in D.C. the most commonly used drug is PCP, while in New York it is cocaine.) In both New York and D.C., urine testing has established that drug use among arrestees is far more prevalent that previously estimated.

While relatively expensive, urine testing is nevertheless a cost-effective technology. Currently, jail and prison crowding has resulted in higher risk offenders being released to the community. Periodic urine testing, which is far cheaper than the daily cost of incarceration, reduces the risk to the public by identifying drug-using arrestees and notifying them that they will be reincarcerated if they do not abstain.

In Washington, arrestees who were monitored and sanctioned for drug use had a rearrest rate 50% lower than arrestees whose drug use was not being monitored.

The street drug-dealer crackdown research would be replicated in eight cities, permitting variation in city size, targeting strategy, and intensity and duration of enforcement. Recently completed studies of local drug enforcement strategies suggest that targeted enforcement against street dealers might have not only a deterrent effect but also disrupt vital information on where to make buys. These strategies range from sustained enforcement of targeted areas to intensification of enforcement at random intervals. The enforcement methods used were vigorous arrest and prosecution of offenders in the targeted neighborhoods. Initial research also showed a significant reduction in property crime when the crackdown technique was used. Local law enforcement agencies would contribute the necessary manpower for this effort. The Institute's evaluation would track the extent of enforcement whether dealing was displaced and the effect on property crime rates. Findings from the replication would then be disseminated to local law enforcement agencies to make their interdiction activities more effective.

The public service announcement campaign would follow NIJ's successful "Report, Identify, Testify" campaign, focusing on the production of drug prevention announcements targeted at teenagers. Recent tragic deaths of young athletes underscore the need for a nationwide drug education program that spells out the dangers of drugs like cocaine. High quality public service announcements developed by professional advertising personnel will bring messages that spell out the dangers of drugs like cocaine to young people throughout the country. The cost of this program will be split with private sector donors and will include evaluation of its effectiveness.

The National Institute of Justice has responsibility for a broad range of research, development and dissemination activities directed at reducing crime and improving the criminal justice system. These three projects, pioneered and pilot tested by the Institute, will be expanded to aid in measuring the extent to which our policies have an impact on reducing drug use and drug related crime. While we need to spend resources on operations to reduce the supply and demand for drugs, we also need to support experimental programs and measure their results to assure that we are allocating resources to the most effective programs.

Activity: Criminal Justice Statistical Programs	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Justice Statistical Programs.....	...	...	$16,002	...	...	$19,550	...	...	$20,300	...	...	$750

Long-Range Goal: To assist policy and decision makers at the Federal, State and local levels of government by providing for the collection, analysis, publication and dissemination of comprehensive and accurate statistical information concerning crime and the operation of this nation's criminal justice systems.

Major Objectives:

To collect, analyze, publish and disseminate statistical information on crime and the operation of justice systems to the President, the Congress, the Judiciary, the Department, State and local executives and officials, and the public.

To maintain and develop an analytic program which will address the implications of national criminal justice statistics for Departmental policy and legislative initiatives.

To recommend national standards for justice statistics and to ensure the inter-State comparability, reliability and validity of justice statistics.

To conduct and support evaluations to improve the quality of justice statistics and to implement the recommendations therefrom.

To encourage the development, maintenance, and utilization of State and local governmental organizations and facilities responsible for the collection and analysis of criminal justice data and statistics.

To ensure compliance with requirements relating to confidentiality and security of data.

Base Program Description: The Bureau of Justice Statistics (BJS) is responsible for all major national statistical series and other data sources concerning crime and criminal justice except the FBI's Uniform Crime Reporting (UCR) Program. The mission of the Bureau is twofold: to provide senior officials of the Justice Department, the White House, the Congress, the judiciary and the public with valid, timely, and policy relevant justice data and analyses, and to support the emerging capacity of State and local governments to use data as a cornerstone of their criminal justice programs.

BJS maintains a number of major statistical series, the data from which are used in answering requests for information from Congress, the White House, the judiciary, the Department of Justice, criminal justice agencies and organizations, academic researchers, the media, and the general public. BJS also publishes a regular series of bulletins and special reports which disseminate data from the series.

The National Crime Survey (NCS), the largest BJS series, is the Nation's principal source of information on crime victimization and the victims of crime, and the third largest survey conducted by the Federal Government. Under the NCS program, interviews are conducted with 135,000 persons in 60,000 households in order to obtain data on the impact, frequency and consequences of criminal victimization on the American public. The BJS corrections statistics program provides systematic information on correctional populations and facilities gathered from Federal, State, and local governments, and covers the major aspects of the corrections system - probation, jails, prisons, and parole. The overall program consists of five components: (1) annual National Probation Reports; (2) annual Uniform Parole Reports; (3) annual National Prisoner Statistics; (4) annual counts and characteristics of persons sentenced to death; and (5) quinquennial surveys of national samples of prison and jail inmates and censuses of State and local correctional facilities.

Most criminal justice activities in the nation take place at the State and local levels of government. A primary objective and legislative mandate of BJS is to support the States in the accurate and timely collection, aggregation, and analysis of State-level criminal justice data. This objective is accomplished primarily through the support of Statistical Analysis Centers (SACs) which analyze and disseminate statistical information, coordinate State criminal justice statistical activities among State, county and city agencies, and provide improved State data for BJS analyses; support is also given to State UCR programs which compile and analyze local law enforcement data and forward it to the FBI. Through extensive Federal funding over the years, BJS has created 44 SACs and has supported the development of approximately 45 State-level UCR systems.

Accomplishments and Workload: Accomplishments of the Bureau of Justice Statistics are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Statistical series perennially maintained	10	10	11	12
Statistical series intermittently maintained	2	2	2	3
Statistical and related reports prepared for BJS by grantees and contractors and published by BJS	14	10	10	9
State statistical projects supported	57	58	79	79
Number of requests for data sets and documentation filled by criminal justice data archive	600	600	625	625
Number of information and technical assistance requests filled under BJS supported programs	1,002	1,080	1,120	1,120

The Bureau of Justice Statistics has established itself as an independent and objective national center to provide basic information on crime and criminal justice to the President, the Congress, the Judiciary, State and local governments, the general public, and the media. In meeting its statutory mandate, BJS maintains more than two dozen data collection series using a variety of methods that include household interviews, censuses and sample surveys of criminal justice agencies and of prisoners and jail inmates, and compilations of administrative records. Using the data collected, BJS prepared and disseminated 34 reports and data releases during 1986. These reports include annual Bulletins, which present in a nontechnical format the latest statistics from BJS' data series on particular aspects of crime or the administration of justice, and Special Reports, also written in nontechnical language, which provide data on topics of current public interest and policy debate. During 1986, work continued on the second edition of Report to the Nation on Crime and Justice. The first edition won a number of national awards and was the first publication to provide a comprehensive portrait of crime and the justice system in a nontechnical format.

During 1986, BJS began implementation of the redesign of the National Crime Survey. Modifications judged to be nonrate affecting were made to provide needed improvements quickly, while still maintaining comparability with previous years' data. These changes included an expansion of questions on the victim's use of self-protective measures, the addition of a question about drug use by offenders, and the addition of questions about the victim's contacts and experience with the criminal justice system. Planning for major modifications to be made during late 1988 continued throughout 1986 and resulted in the selection of proposed design package. In addition to questionnaire revisions, BJS has also been investigating the use of Computer-Assisted Telephone Interviewing (CATI) technology for NCS data collection.

In 1986, major steps have been taken towards establishing a statistical series dealing with the management and administration of law enforcement. In July 1986, a report was issued which described the content and timing of the series, as well as draft questionnaires. In November, BJS convened a meeting of representatives of the major police professional organizations and produced a draft final questionnaire, prepared an OMB clearance package, and made plans for a May 1987 mailing to a nationally representative sample of police departments. Survey results will yield the first truly comprehensive statistical profile of law enforcement agencies in terms of sworn and civilian personnel, their salaries, the full range of police functions, equipment, expenditures, policies, and operations. Another potential use of the data will be for comparison purposes, i.e. an agency can compare itself to other agencies or groups of agencies with like characteristics.

BJS took several steps to launch a new national crime reporting system by beginning implementation of the Uniform Crime Reporting (UCR) Redesign, in cooperation with the FBI. In 1987, BJS received an increase to its appropriation of close to $3 million for this purpose. During 1986, specific data element definitions, coding instructions, and incident reporting form revisions were developed; an award was made to the State of South Carolina to test a major overhaul of its system to capture and report the expanded data elements; the BJS Director wrote a letter to each Governor, describing the effort to make the first change in UCR in over 50 years and indicating the availability of Federal support; a full program announcement describing the availability of 1987 grant funds was sent to each State UCR program in August 1986 with a deadline for applications in October 1986; and awards were made to establish a computer laboratory to assist local police departments in acquiring new management information systems, including a UCR component, as well as to detail specific analytic benefits of the new data elements in the experience of 25-30 identified police agencies.

The BJS Adjudication Program is undergoing a major expansion to increase its comprehensiveness by establishing a national court statistics series. Once established, the series will provide information never before reported about justice administration in the nation. Significant progress toward the series was made in 1986 with the completion of a national survey of trial courts. Approximately 3,500 trial courts participated by completing a questionnaire designed to document such facts as the number of felony convictions and the number of acquittals in 1986. The survey is preliminary to a more extensive one planned for 1987 that will provide data on the outcomes of key court actions such as arraignment, disposition, and sentencing. Also during 1986, data collection began for a major expansion of the number of jurisdictions involved in the project that produced Felony sentencing in 18 local jurisdictions (BJS Special Report, June 1985). That project used court and prosecutor records to collect data on the type and length of sentence received by felony defendants for seven offenses. The expansion is expected to provide data for as many as 35 jurisdictions with publication of the data in fiscal 1987. An additional project is collecting data on case processing characteristics and other relevant variables from a sample of 10,000 defendants charged with robbery or burglary. In 1986 data collection was completed in three sites. Data collection in seven others is planned for 1987. The study will examine the impact different policies and practices have on the disposition and correctional outcomes of robbery and burglary cases.

Program Change: An increase of $750,000 is requested in 1988 for a white collar crime initiative. This initiative will provide the first empirical estimate of the number of white collar crime incidents reported, investigated, prosecuted or otherwise handled by Federal and State government agencies and responds directly to continued interest of the Department of Justice, Congress, the States, and the public as evidenced through Congressional hearings, State legislation, establishment of Federal and State fraud units, and ongoing media concern. Such data are particularly relevant as media coverage of recent securities, banking and government program frauds may have distorted public perceptions of white collar crime rates and may well have given the public inadequate understanding of the level of Department of Justice efforts in this area. The data will facilitate long-term cost savings by permitting evaluation of alternative crime control strategies, will provide empirical data to support legislative, budget and correctional strategies at the Federal and State levels, and will more accurately reflect the full extent of the government's commitment to white collar crime control. Program costs would be minimized by using data already collected by different agencies and by incorporating the analysis effort into the already existing Federal data analysis program.

The current initiative proposes the collection and analysis of Federal data and the review of State data resources. Under the Federal data component, data (both manual and automated) maintained by Federal regulatory agencies, operating departments, and offices of Inspectors General will be collected and analyzed. Preliminary analyses of small data samples will also be conducted at the State level. Efforts will be made to identify relevant units of State government in order that future attempts to obtain State data can be made. It is anticipated that at a later time, State data will also be integrated with Federal data to produce the first overall description of white collar crim

Over the long term the proposed white collar crime series will provide cost-cutting benefits to all agencies engaged in white collar crime control activities. Specifically, data on the nature, cost and extent of white collar crimes will allow such units to target resources more efficiently and to evaluate the effectiveness of various regulatory and enforcement strategies. The proposed initiative will also establish liaison with businesses and other private sector organizations engaged in white collar prevention activities. Comprehensive indicators of white collar crime data will provide a basis for development of more effective and fiscally sound strategies to control white collar crime losses. Additionally, since statistical attention to data has been directed almost exclusively to violent and other "street" crimes, the data series would fill a current void in criminal justice knowledge and, for the first time, permit the development of a more comprehensive outline of criminal activity in the nation. Over time, the availability of trend data will also permit evaluation of alternative strategies so as to ensure the most cost effective use of resources. The initiation of this new series represents a clear commitment by the Federal government to the implementation of more effective white collar crime control strategies and the enforcement of white collar crime legislation.

Activity: State and Local Assistance	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and Local Assistance	...	...	$40,000	...	...	$44,400	...	...	...	...	...	-$44,400

Long-Range Goal: To provide financial and technical assistance to State and local jurisdictions and organizations to enable them to execute programs with a high probability of improving the operations of the criminal justice system, with emphasis on violent crime and serious offenders; and to provide assistance to public and non-profit agencies for the purpose of conducting education and training programs, providing technical guidance, carrying out national or multi-State projects, and demonstrating new programs.

Major Objectives:

To assist, via formula grants, States and units of local government in carrying out specific programs which offer a high probability of improving the functioning of State and local criminal justice systems.

To undertake educational and training programs for criminal justice personnel.

To provide technical assistance to recipients of formula and discretionary grant funds.

To develop and implement national or multi-State programs which address violent crime, serious offenders, narcotic enforcement impact and victims of crime.

Base Program Description: This program deals with the problems of crime -- particularly violent crime -- and its effects on the victim. The Justice Assistance Act of 1984 established two new grant programs: a criminal justice formula grant program for State and local governments and a discretionary grant program for public and nonprofit agencies.

The Act enumerates eighteen purposes for State and local formula grant programs that have a high probability of improving criminal justice functions, with emphasis on violent crime and serious offenders. Formula funds are awarded for various programs such as crime prevention programs which join the community and law enforcement in cooperative anti-crime efforts; career criminal programs that focus on repeat offenders; court delay plans that help expedite prosecution; victim/witness assistance programs; prosecution management support systems; "STING" programs that intercede in the illicit commerce of stolen goods and property; programs that enhance police operations such as the Integrated Criminal Apprehension Program (ICAP); and several other programs that meet the purposes and criteria of the Act. Moreover, as much as ten percent of a State's formula grant funding may be designated for innovative programs. States that elect to participate in the formula grant program receive a base allocation of $250,000. Thereafter, funds are allocated among the States based upon population. States disperse to local governments a portion of their allocation equivalent to the local share of total State and local criminal justice expenditures. Federal formula funds are matched dollar for dollar by State and local funds appropriated for criminal justice improvement.

The Justice Assistance Act also established a discretionary grant program intended to enhance the formula grant program. Discretionary grants may be awarded to both public and nonprofit agencies for: (1) technical assistance, education, and training; (2) national and multi-State projects; and (3) demonstration programs. Grants may be awarded for up to 100 percent of total project costs.

Accomplishments and Workload: Following are recent major accomplishments achieved with State and Local Assistance grant funds, separated by Block and Discretionary grant programs.

Block Grant Program: Over 1,200 State and local criminal justice projects were funded during the past fiscal year. Four program areas were identified by the States as high priorities, accounting for more than 50% of the funds: Jail/Prison Capacity (15%), Community Crime Prevention (14%), Career Criminal/Court Delay (13%), and Information Systems (10%). A performance appraisal system was developed and implemented which will provide information during the next year to assess the effectiveness of the program. Examples of anticipated impact in two program areas include: organized crime/drug trafficking programs in 17 States are expected to result in the disruption of at least eight organized crime operations and 30 drug trafficking organizations and the recovery of over $30 million in contraband; and an estimated 35,000 to 40,000 serious crimes per year will be prevented by the prosecutions and sentencing of offenders under career criminal prosecution projects in 18 States.

Discretionary Programs: Demonstration programs, which test and implement new program strategies and approaches for improving the criminal justice system, include Family Violence Intervention, Police/School Drug Use Prevention, Organized Crime/Narcotics Trafficking Enforcement, Detection and Monitoring of Drug-Using Arrestees, Child Abuse Prosecution, Law Enforcement Crime Prevention and Intensive Probation Supervision Programs. The Police/School Drug Use Prevention Program places uniformed police officers in elementary and middle school classrooms delivering a seventeen part curriculum which equips students with drug information, methods to enhance self-esteem, analytical and decision-making skills and the motivation to employ the skills. The Detection and Monitoring of Drug-Using Arrestees Program is a Demonstration program, based on research performed by the National Institute of Justice, which uses drug detection technology to identify drug users and monitor drug use as a condition of release. Unmonitored drug users are at least 70% more likely than non-users to be rearrested before trial, while monitored users have the same rearrest rate as non-users. The Child Abuse Prosecution Program, funded in eight jurisdictions, is designed to improve the screening, handling and effective prosecution of child abuse cases and emphasizes the use of interagency child abuse teams, vertical prosecution, specially trained prosecutors and sensitive treatment of child victims. The Intensive Probation Supervision Program, with projects in five sites, provides highly structured, non-custodial supervision as an alternative to or in conjunction with incarceration, so that penalties are both punitive and rehabilitative.

Training and Technical Assistance is provided to block grant and demonstration program recipients to assist with program development, implementation strategies, and transfer of information on new programs. For example, under the Adjudication Technical Assistance and Training Program, over 400 individuals, representing 110 separate State and local jurisdictions, received formal training to implement court delay, jail capacity and career criminal prosecution programs. Approximately one-third implemented programs using block grant funds. The balance implemented programs using in excess of $3 million in State and local revenues. Training was also provided to local law enforcement and prosecutors in the following areas: 1) methods of using asset removal and forfeiture in drug cases; 2) creative new strategies for prosecuting complex arson for profit cases; and 3) methods for targeting law enforcement resources on repeat offenders.

Programs of national scope initiated or continued with discretionary funds include the Law Enforcement Accreditation Program, National Crime Prevention Campaign, Crime Stoppers International, Alternatives to Deadly Force Model Policies Program, Drug Control Strategy Development, and Victims Assistance Programs. The Crime Prevention Campaign provides an example of the impact of these programs. In the past year, 10,000 teens in 62 high schools became involved in crime prevention programs. New McGruff Public Service Announcements ($75 million of free T.V. time) were viewed by 200 million people. A crime prevention puppet program was initiated in 60,000 schools. McGruff teamed up with "Webster" (T.V.show) in front of 11 million viewers. Technical assistance was provided to over 300 crime prevention programs in all 50 States and 22 million citizens were actively involved in crime prevention and neighborhood watch programs.

Program Change: No budget authority is requested for this program in 1988. In view of the budget deficit and the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, many difficult budget decisions had to be made. One of these decisions resulted in an Administration policy that the States or localities which receive program benefits should pay for them. In 1988, the States will be in a good position to pick up programs no longer funded by the Federal government. The Tax Reform Act of 1986 reduces the Federal rates of income taxes but eliminates many provisions of the previous tax code which will increase the adjusted gross income of most individuals. Since most State tax rates have not yet been adjusted downward and since they use the Federal definition of adjusted gross income, States will be receiving greater tax collections beginning in 1987. This increased level of State income taxes will permit the States to continue programs such as this.

In addition, the three years of funding which have been provided by this program, have given the States and localities ample opportunity to find out if the projects they have funded with Federal funds have resulted in increased efficiency and/or reduced costs. If they have, then the States and localities should be willing to use their increased revenues to continue these projects.

Activity: Emergency Assistance	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Emergency Assistance	...	...	...	...	...	$1,148	...	...	$1,200	...	...	$52

Long-Range Goal: To provide financial and technical support to assist States in responding adequately to law enforcement emergencies.

Major Objectives:

To assist States in providing an adequate response to uncommon law enforcement situations which are, or threaten to become, of serious or epidemic proportions, when State and local resources are inadequate to protect the lives and property of citizens or to enforce the criminal law.

To provide a rapid and coordinated Federal determination of State eligibility for assistance.

To assure a coordinated law enforcement response to emergencies and to avoid unnecessary Federal involvement in matters primarily of State and local concern, including planning activities and the enforcement of laws associated with scheduled public events.

Base Program Description: Natural disasters and crime epidemics strike States and localities arbitrarily and without warning, often exceeding the capacity of law enforcement resources to protect life and property, and to enforce the law. Over the past few years, Federal law enforcement assistance has been required by many States and localities, including: Seneca County, New York, to provide adequate law enforcement during the demonstrations at the Seneca Army Depot; Atlanta, Georgia, to provide an adequate response to a series of child murders; the State of Florida to provide an adequate response to the South Florida drug problem; the State of Washington to provide an adequate response to the devastation of Mt. St. Helens; Miami/Dade County, Florida, to provide an adequate response to the major civil disturbance following the "MacDuffie" case; the State of Alabama to provide an adequate response to the situation created by Hurricane Frederick; and the State of New Mexico to provide an adequate response to the riot at the State prison.

Assistance, in the past, has included technical assistance, training, personnel, equipment, intelligence information, and funding. Grant awards have varied in size, in accordance with the scale of the emergency.

It is clear from the Justice Assistance Act of 1984 and its legislative history that certain situations are viewed as appropriate for emergency law enforcement assistance. Equally clear is the firm intention to avoid unnecessary Federal involvement or intervention in matters which are primarily of State and local concern. To this end the Act excludes assistance for planning or other activities related to crowd control for general public safety projects and assistance for a situation requiring the enforcement of laws associated with scheduled public events. Thus, the high law enforcement costs associated with political conventions and international sporting events should be borne by the localities that sought them.

The Act authorizes the Attorney General to receive requests from State chief executives for designation of a State or local jurisdiction as a law enforcement emergency jurisdiction. Once submitted, the application is to be approved or disapproved within 10 days. The Attorney General will make his determination to approve or disapprove the application, after consultation with appropriate members of the Federal law enforcement community. If the Attorney General approves the application, the Federal law enforcement community will proceed to provide appropriate equipment, training, intelligence information, and personnel.

Accomplishments and Workload: In 1986, three requests for emergency assistance were received. One grant was awarded for $57,000 to the State of West Virginia for flood damages incurred by excessive rain.

Staff work required to administer the program includes: assistance in application preparation; application review; recommendations to the Attorney General and Assistant Attorney General; grant administration; financial administration; and, assistance coordination.

The Attorney General can make Federal assistance available in the form of equipment, training, intelligence information, personnel or funds. The use of funds will only be made where other forms of assistance are insufficient to assist the State.

Program Change: An increase of $52,000 is requested in 1988 for the Emergency Assistance program in order to maintain the program at an adequate level of funding. In 1987, funding for this program was provided from available unobligated balances carried over from 1986.

Activity: Juvenile Justice Programs	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Juvenile Justice Programs	...	...	$67,600	...	...	$67,600	...	...	...	...	...	-$67,600

Long-Range Goal: To aid in the prevention, reduction, and treatment of juvenile crime and delinquency and to improve the administration of juvenile justice by providing financial and technical support to State and local units of government, public and private agencies, organizations and institutions.

Major Objectives:

To facilitate, through provision of technical/financial resources and national leadership:
a. A 75% reduction in the number of status offenders and non-offenders held in secure detention and correctional facilities within three years from the date that each State/territory began participation in the Juvenile Justice and Delinquency Prevention (JJDP) Program.
b. Removal of all status offenders and non-offenders from secure detention and correctional facilities within five years from the date that each State/territory began participation in the JJDP Program.

To develop and implement a nationwide strategy for achieving by 1987, a 75% reduction in the number of juveniles held in adult jails and lock-ups in all States and territories which participate in the JJDP Program.

To facilitate separation of all juveniles found to be delinquent or status offenders from detention or confinement in any institution in which they have regular contact with adult persons incarcerated for criminal offenses.

To develop knowledge regarding juvenile delinquency and related deviant behavior including serious and violent juvenile crime among youths, which can be effectively used to prevent, treat and reduce delinquent and deviant youth behavior.

To use knowledge acquired through applied research for the development of programs which prevent juvenile crime, offer alternatives to the system and improve the administration of juvenile justice.

1491

To disseminate knowledge acquired through research, data collection, and synthesis to the juvenile justice community.

To develop and support training programs for juvenile justice and alternative system practitioners and citizens involved in volunteer efforts.

To replicate, on a nationwide basis, programs and strategies which have been proven through research, demonstration, and evaluation to be effective in the reduction and control of juvenile delinquency, including serious/violent juvenile crime.

To provide for the development and support of new approaches, techniques and methods with respect to juvenile delinquency programs, in particular violent juvenile offenders.

To provide technical assistance to State and local governments, and other service providers, on the development and implementation of programs, related to violent juvenile crime, while at the same time addressing the issues of deinstitutionalization, separation, and jail removal.

Base Program Description: The Formula Grant Program represents 64% of the total amount appropriated for Juvenile Justice and Delinquency Prevention. This program provides funds to States and territories on the basis of population under the age of 18. To receive its share of funds, a State or territory must submit an annual plan that meets the criteria of the Juvenile Justice and Delinquency Prevention Act of 1974. The law requires that the priority of expenditures for these funds must be to provide alternatives to incarceration of status offenders and separation of juveniles and adults in institutions. In 1986, 52 States and territories participated in the program. The non-participating States were: Nevada, Wyoming, Hawaii, North Dakota, and South Dakota.

The National Institute of Juvenile Justice and Delinquency Prevention (NIJJDP) within the OJJDP, awards grants and contracts implementing a broad range of applied research to add to the knowledge base regarding the causes and correlates of juvenile crime and delinquency. The data gained is used in designing and refining OJJDP's discretionary grant programs, which are also evaluated by NIJJDP. In addition, NIJJDP is authorized to develop, conduct and provide for training programs. The Institute also serves as the information collection synthesis and dissemination center for the Office and a mechanism has been established to gather information on the nature and extent of delinquency, justice system operations, and program information. The principal method of disseminating information, data, statistics, and program information is through the National Criminal Justice Reference Service.

The Special Emphasis program has been structured and funded in ways which call national attention to distinct juvenile justice issues. Specific performance standards are set for delivery of services. Each initiative has been funded as a group of projects, with emphasis on overall program goals as well as specific project objectives. Sizeable grants are made to permit comprehensive planning, and program planning, design and implementation are coordinated with the NIJJDP and the Formula Grants and Technical Assistance Divisions.

Technical assistance is provided to address major problems being experienced by juvenile justice agencies for which solutions have been found. The delivery methods that are used include structured observation at model operations, documentation, service brokering, workshops, training, cluster meetings, and consultations. In carrying out its coordinating functions, OJJDP works closely with the Coordinating Council on Juvenile Justice and Delinquency Prevention. The office provides staff assistance for the Coordinating Council. In addition, OJJDP awards grants and contracts to support activities of private nonprofit groups and interagency efforts which lead to increased coordination of Federal juvenile programs and policies.

Accomplishments and Workload: The following table represents accomplishments of the Juvenile Justice Programs.

Item	1985	1986	Estimates 1987	Estimates 1988
States and territories participating in program	53	52	52	...
States in full compliance with deinstitutionalization provisions	50	50	51	51
States in compliance with separation requirements	41	48	49	49
States with established, adequate monitoring systems	53	52	52	52
New Special Emphasis initiatives funded	3	1	4	...
Special Emphasis initiatives continued	3	6	6	...
Inter-agency agreements entered into	6	8	4	...
Number of discretionary grants awarded	95	70	70	...
Instances of delivery of on-site technical assistance	750	750	500	500

Since enactment of the Juvenile Justice and Delinquency Prevention Act of 1974, the provision of Federal technical and financial resources has enabled participating States to undertake a number of system-wide improvements. The Formula Grants Program has had a significant impact on rates of incarceration throughout the United States.

Fifty of the States participating in the program have achieved full compliance with the statutory mandate to deinstitutionalize status offenders and non-offenders. In practical terms, this means that nearly 200,000 non-criminal juveniles have been removed from inappropriate institutional confinement, leaving approximately 22,000 in confinement in participating States.

Program Change: No funds are requested for this program in 1988. The accomplishments section of this activity clearly shows that the major objectives of the Juvenile Justice and Delinquency Prevention Act have been met. One of the primary purposes of the Act was to deinstitutionalize status offenders by diverting them from the judicial system and out of secure detention facilities and into community-based non-judicial settings. To date, fifty States have achieved full compliance with this provision and 51 States and territories are expected to be in compliance by the end of this fiscal year. We believe that the States which now participate in the program will continue to deinstitutionalize without the Federal government's money, and will be able to do so more successfully without the unyielding and strict requirements of Federal law. Each State has a different set of circumstances and, without the need to comply with Federal mandates, will be able to adjust its programs to meet its own local problems and conditions. Since the funds OJJDP has provided to States over the years were insufficient to cover the full cost of deinstitutionalization, the individual States have shown a commitment to deinstitutionalize status offenders by participating in the program. With the termination of future OJJDP funding there is no reason to believe that the States will now retreat from their commitment, with the exception of perhaps amending the statutes to more nearly conform to local conditions.

The JJDP Act also provides that in order to participate in the program, delinquent juveniles shall not be held in institutions in which they have regular contact with adults, (Section 223 (a) (13)). Those States participating in the program have made sufficient progress under this section to deem these separation requirements an almost total success. Over the past thirteen years, from 1975 through 1987, almost one Billion dollars has been made available for Juvenile Justice programs and projects by the Federal government. There will always be programs and projects which can improve the Juvenile Justice System but it is now time for the States and localities to fund such projects if they are of sufficient priority locally.

The Department of Justice has been given a number of new Federal Justice responsibilities by the Congress. These new responsibilities require considerable additional resources at a time when the Federal deficit is very high. Since resources are scarce, they must be allocated to only the highest priority programs. The Department believes it must classify all its uniquely Federal responsibilities as a higher priority than financial assistance to State and local governments. Since the States will benefit from an increase in income through State income taxes as a result of the Tax Reform Act of 1986, they are in a much better position to fund juvenile projects they believe are a high priority.

Activity: Missing Children	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Missing Children	...	...	$4,000	...	...	$4,000	...	...	$4,000	...	...	...

Long-Range Goal: To reduce the incidence of crimes against children, particularly kidnapping and sexual exploitation and to improve the criminal justice, social services and treatment systems which are responsible for dealing with these crimes when they occur.

Major Objectives:

Ensure that there is effective coordination among all Federally funded programs related to missing children.

Establish and maintain a national resource center and clearinghouse to:
a. provide technical assistance to local and State governments, public and private non-profit agencies and individuals in locating and recovering missing children;
b. coordinate public and private programs to locate and recover missing children;
c. nationally disseminate information on innovative missing childrens' programs, services, and legislation; and
d. provide technical assistance to law enforcement agencies, private non-profit agencies, and individuals in the prevention, investigation, prosecution and treatment of the missing or exploited child case.

Periodically conduct national incidence studies to determine the actual number of children reported missing each year, the number of children who are victims of stranger abductions, the number of children who are victims of parental kidnappings, and the number of missing children who are recovered each year.

Compile, analyze, publish and disseminate an annual summary of research currently being conducted on missing children.

Prepare an annual comprehensive plan for assuring cooperation and coordination among all agencies and organizations with responsibilities related to missing children.

Provide a program to establish and maintain a national toll-free telephone line where individuals may report information regarding the location of missing children.

Base Program Description: The public and the criminal justice community have become increasingly concerned about runaways and other missing children. Alarming numbers of cases of abduction, sexual abuse, sexual exploitation and murder of children, are being found. Estimates of the number of missing children vary extensively. We do not know precisely how many children are abducted, how many run away or how many are homeless. But even the most conservative estimates suggest that several hundred thousand children are missing.

The Missing Children's Act of 1984 established an Advisory Board on Missing Children. The Board is charged with: coordinating all Federal programs and activities related to Missing Children; establishing priorities for making grants and contracts funded from this activity; and approving an annual comprehensive plan for facilitating cooperation among all agencies with responsibilities relating to Missing Children. In its role of setting funding priorities the Missing Children's Advisory Board endorsed seven general funding priorities for 1986. They are as follows:

1. National incidence study to determine the numbers of missing children.
2. National study of law enforcement agencies policies and practices regarding missing children and homeless youth.
3. Assistance to the Federal Law Enforcement Training Center at Glynco for a training program for handling missing and exploited children cases.
4. Two areas of research will be explored: (1) relationship between missing and abducted children and sexual exploitation and the psychological consequences of abduction and sexual exploitation; and (2) the child victim as witness.
5. Training/public awareness program on missing and exploited children.
6. Assistance to State clearinghouses for missing and exploited children.
7. Assistance to private voluntary organizations working on the issue of missing and exploited children.

Accomplishments and Workload: The following table presents accomplishments of the Missing Children Program.

Item	1985	1986	Estimates 1987	Estimates 1988
Law enforcement and social service professionals trained	7,500	7,500	8,000	8,000
Telephone calls received requesting information (NCMEC)	150,000	150,000	80,000 *	70,000 *
Telephone calls received requesting information (State clearinghouses)	...	...	70,000	80,000
Missing or exploited children's cases investigated (NCMEC)	7,605	7,605	5,000 *	4,500 *
Missing or exploited children's cases investigated (State clearinghouses)	...	...	2,605	3,105
Brochures, manuals, and child safety guides developed, published and mailed	456,000	456,000	525,000	525,000

* Represents workload estimates for National Center for Missing and Exploited Children. Decrease in workload is due to funding of State (public) missing children clearinghouses; in accordance with Title IV of the Juvenile Justice and Delinquency Prevention Act, as amended, Section 404(b)(2)(A-D). State operated clearinghouses have a range of responsibilities: operate toll-free in-State telephone lines to accept information about sightings of missing children; assist in the investigation of missing child cases; expedite the entry of missing child information into the NCIC system; and establish a data system to collect and disseminate information that can assist agencies in recovering missing children.

Activity: Public Safety Officers' Benefits Program	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Public Safety Officers' Benefits Program.....	...	...	$9,910	...	...	$10,650	...	...	$10,000	...	...	-$650

Long Range Goal: To provide a death benefit of $50,000 to survivors of Federal, State and local public safety officers who have died as a result of personal injury sustained in the line of duty.

Major Objectives:

To pay eligible claims within two weeks of the filing of a fully documented claim.

To issue determinations on ineligible claims within four weeks of the filing of the fully documented claim.

To conduct an appeal hearing within 60 days of an appellant's request.

To issue the appeal determination within 30 days of the official close of the appeal hearing.

Base Program Description: This activity addresses death benefits for the eligible survivors of Federal, State and local public safety officers who die from injuries received in the line of duty. P.L. 94-430 (42 U.S.C. 3796) authorizes a $50,000 death benefit when a Federal, State or local law enforcement officer, fire fighter, prison guard, or judicial official dies, in a duty status, as the direct and proximate result of a traumatic injury. If a widow and eligible children survive, the widow receives $25,000 and $25,000 is apportioned among the children. If there are no eligible children, the widow receives the full $50,000. Dependent parents are eligible for the death benefit when a widow and/or eligible children do not survive the deceased public safety officer.

Generally, the PSOB program staff receives a death report within one week of the public safety officer's death, usually from the employing agency. Claims are initiated by the PSOB staff when the death report is received. Employing agencies generally take from 75-80 days to file a complete claim. Eligible claims are paid within two weeks of being filed and documented; ineligible claims are processed within four weeks of being filed and documented.

When a claim is denied, appeal instructions are provided to the claimant. Appeals are heard within 60 days of the claimant's request and decisions are rendered within 30 days of the official close of the appeal hearing. Hearing officer denials may be appealed to the Director. Once an appeal is heard by the agency and the denial affirmed, the claimant may appeal directly to the U.S. Claims Court. Claims entering the Federal court system may take from 6 months to 2 years or more to resolve, depending on how rapidly the court and the claimant's attorney respond to statutory and procedural requirements.

Accomplishments and Workload: Actual and estimated accomplishments of the Public Safety Officers' Benefits Program from 1985 through 1988 are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Claims Initiated	277	257	300	300
Claims Closed*	304	253	290	290
Agency Appeals Requested	10	12	15	15
Agency Appeals Closed*	12	12	13	13
Courts Appeals Initiated	0	0	1	1
Court Appeals Closed*	2	1	1	1

* Figures include newly initiated claims and appeals as well as active claims and appeals carried over from a previous year.

Claim processing objectives have been met in that the average eligible claim was paid within two weeks of completed filing, and the average ineligible claim was closed within four weeks of certified documentation.

The number of public safety officer death claims which were found eligible during the period 1979-1986 follows:

Fiscal Year	Claims Paid	Amount Paid
1979	258	$12.90 million
1980	234	$11.70 million
1981	269	$13.45 million
1982	217	$10.85 million
1983	214	$10.70 million
1984	188	$9.40 million
1985	226	$11.30 million
1986	180	$9.00 million

The 1985 increase to 226 paid claims at $11.3 million was generated by two factors: (1) there was an increase to 259 in reported deaths in 1984. This was reflected as an increase in 1985 payments; (2) an amendment to the PSOB statute authorized payment of the death benefit for Federal public safety officers. This broadened coverage also contributed to the increase in 1985 payments.

The following is a breakout of claims paid by type of public safety officer:

	1982	1983	1984	1985	1986
Law Enforcement Officers	152	160	134	188	130
Fire Fighters	56	43	44	61	37
Corrections Officers	7	6	8	7	5
Others	2	5	2	18	8

Program Change: Although $9.9 million was appropriated in 1987, about $10.7 million is available due to unobligated funds carried over from 1986. The requested decrease for 1988 below the 1987 base level of funding reflects a favorable reduction in the number of claims filed and paid over recent years. Based on prior experience, it is expected that about 200 claims will be paid in 1987 and that this average will continue through 1988. This projection incorporates the recent inclusion of rescue squad members under public safety officer eligibility criteria. Despite the downturn in claims paid, it is important to note that major accidents or catastrophic events can significantly increase the number of claims to be paid.

Activity: Mariel Cubans	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Mariel Cubans	...	...	$5,000	...	...	$5,000	...	...	...	...	...	-$5,000

Long-Range Goal: To provide financial assistance to those States which have incarcerated Mariel Cubans.

Major Objective: To award grants to reimburse States for expenses incurred by reason of Mariel Cubans being incarcerated in State facilities.

Base Program Description: In the 1985 appropriation act, Congress provided $5,000,000 for the purpose of making grants to States for their expenses by reason of Mariel Cubans being incarcerated in State facilities for terms requiring incarceration for the period October 1, 1984 through September 30, 1985, following their conviction of a felony committed after having been paroled into the United States by the Attorney General. In the 1986 and 1987 appropriations, Congress again provided around $5,000,000 for reimbursement of expenses to States for incarcerated Mariel Cubans for the periods of October 1, 1985 through September 30, 1986 and October 1, 1986 through September 30, 1987 respectively.

Accomplishments and Workload: In 1986, twenty-four States housing 2,363 Mariel Cubans received $208.43 per inmate month. The Governor of each applicant State provided a certified listing of Mariel Cubans requiring incarceration. The list was then verified by the Immigration and Naturalization Service. On the basis of per capita allocation of $208.43, all States received a pro rata share of the $4,785,000. For 1987, we have projected that reimbursement requests would equal and might exceed the total number of eligible verified inmates processed in 1986. In 1986, there was a verified increase of 642 additional inmates, over and above the 1985 number.

Program Change: No funding is requested for 1988 since this program benefits less than one half of the States. In the current period of scarce Federal funds this program is not of sufficient priority to command a share of the limited funds available. The Department must first use any available funds to meet its Federal Justice responsibilities.

Activity: Crime Control Programs	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Crime Control Programs	...	...	...	...	...	...	...	...	...	...	...	...

This activity provides for expenditures from programs which are not authorized by existing legislation but which were authorized by preceding legislation. The programs have been terminated and require no new budget authority in 1988. However, this activity is used to reflect outlays and adjustments to prior year obligations.

Activity: Regional Information Sharing System	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Regional Information Sharing System	...	...	$9,900	...	...	$12,000	...	...	...	...	...	-$12,000

Long Range Goal: To enhance the ability of State and local criminal justice agencies to identify, target, and remove criminal conspiracies and activities spanning jurisdictional boundaries.

Major Objectives:

To encourage and facilitate the rapid exchange and sharing of information pertaining to known or suspected criminals or criminal activity among Federal, State, and local law enforcement agencies.

To enhance coordination/communication among those agencies in addressing multi-jurisdictional crime.

To provide technical and financial resources to augment existing multi-jurisdictional enforcement resources (including specialized equipment, training, and investigative expense).

Base Program Description: The RISS Program was initially designed to establish regionally based information sharing centers throughout the United States to service State and local criminal justice agencies. Since then, the specific strategy has been to maintain the operations of the six existing regional information sharing centers: the Mid Atlantic-Great Lakes Law Enforcement Network; the Mid-States Organized Crime Information Center; the New England State Police Information Network; the Regional Organized Crime Information Center; the Western States Information Network; and the Rocky Mountain Information Network. Each of these projects is comprised of an information sharing capability, an intelligence analysis component, and a telecommunications system, and provides for investigative expenses in extraordinary situations, investigative equipment, technical assistance and training. In addition to these six information sharing projects, there is one other, LEVITICUS, which is a consortium of 18 agencies in six States committed to the investigation and prosecution of conspirators engaged in major white collar crime, primarily crimes related to energy industries. Each participating agency provides its enforcement resources, supplemented by Federal funds, and coordinates these resources with other agencies to focus on multi-jurisdictional offenses.

Accomplishments and Workload: The accomplishments of this activity are divided between the six Regional Information Sharing Systems and LEVITICUS. To date, LEVITICUS has referred over $332,000,000 in tax fraud cases to the IRS. In addition, criminal charges have been filed against 263 defendants and civil charges filed against 182 individuals and business entities. The accomplishments of the Regional Information Sharing System are shown below.

Item	1985	1986	Estimates 1987	1988
Membership	1,892	2,144	2,289	...
Inquiries	26,788	34,178	45,260	...
Hits	8,689	10,243	13,690	...
Arrests	3,498	3,476	4,370	...
Narcotics Seizures	$468,138,271	$468,000,000	$395,000,000	...
Property Seizures	$62,934,902	$16,000,000	$24,000,000	...
Civil (RICO) Seizures	$410,000	$410,000	$700,000	...

Program Changes: No funding is requested for 1988. The original RISS projects were funded by the Department of Justice in the 1970's on a demonstration basis with the expectation that financial support for these intelligence networks would be assumed by the State and local law enforcement agencies which they serve. Since the Carter Administration, the Department has urged that federal funding of RISS projects be phased out. Each year, however, the Congress has continued the funding of RISS projects through the Department of Justice appropriations acts or continuing resolutions. In the meantime, the RISS projects have undertaken no significant action toward securing a system of self-funding through contributions from the State and local law enforcement agencies which use their services. Since their inception in 1980, the Federal government has appropriated $65,609,000 for these projects. RISS projects are the only State and local law enforcement activities funded almost entirely by the United States government and they benefit only a fraction of the law enforcement community. The Department believes that if these projects are providing a useful service to their members, then the members should financially support these networks.

Activity: Anti-Drug Abuse Program

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Anti-Drug Abuse Program	...	...	$225,000	...	...	$225,000	...	...	...	...	...	-$225,000

Long Range Goal: To provide assistance to State and local units of government through the formula grant program and to public and private nonprofit agencies through the discretionary grant program for the purpose of enforcing State and local drug laws.

Major Objectives:

To assist States and units of local government in developing a State-wide drug control strategy and in carrying out specific programs to implement that strategy.

To assist States and units of local government with implementation of their drug control strategy through training, technical assistance and subsequent intensive site monitoring.

To develop and implement programs to enhance State and local drug control efforts, which are national or multi-State in scope, or which assist areas of great need.

To develop and implement demonstration programs which test new and effective drug control techniques.

Base Program Description: This activity deals with drug control efforts at the State and local levels. Responsibility for addressing the drug problems in this country are shared by Federal, State and local jurisdictions. The Federal effort is concentrated on reducing the supply of drugs brought into the country and on major drug trafficking operations. State and local responsibilities focus on local production of drugs, intra-State drug operations, street sales and crimes committed to obtain money to purchase drugs. The State and Local Assistance for Narcotics Control Program of the Anti-Drug Abuse Act of 1986 assists the States and local units of government in increasing their drug control efforts and enhancing the criminal justice system's response to drug offenders.

The Act defines seven purpose areas eligible for drug control efforts. These include the apprehension, prosecution, adjudication, and detention and rehabilitation of drug offenders. Eradication programs, treatment programs for drug offenders and demonstration programs for major drug offenders are also included. The States are required to develop a State-wide drug strategy which defines and analyzes the nature and extent of the drug problems in the State, analyzes current drug control efforts and identifies resource needs. The strategy establishes program priorities and identifies legislative and administrative actions which will have the greatest impact on the drug problem in the State.

The Act establishes a formula grant program and a discretionary grant program. States electing to participate in the formula grant program receive a base allocation of $500,000, with the balance of the funds allocated on the basis of population. Local government must receive, in the aggregate, a portion of the total State allocation that is equivalent to the local share of total State and local criminal justice expenditures. The Federal formula funds must be matched with non-Federal funds equal to 25% of the total cost of the project. The discretionary grant program is intended to enhance State and local drug control efforts in the seven authorized purpose areas. The discretionary program will be used to provide training and technical assistance, for national and multi-State efforts, to provide additional Federal assistance in areas of high need and for programs which demonstrate new and effective techniques and practices.

The 1987 appropriation made $2 million available for a pilot prison capacity program. The purpose of the program is to assist States that are confronting prison and jail crises.

Accomplishments and Workload: Since the signing of the Anti-Drug Abuse Act on October 27, 1986, the Bureau of Justice Assistance has moved rapidly to implement the program and make the funds immediately available to the States. An Implementation Plan, which outlines the activities and schedule for implementation of the program was developed by early November. The Governor in each State was immediately notified of the provisions of the Act and the availability of the Federal assistance and was asked to designate a State agency to administer the program. The Bureau also notified the Governor that the funds authorized in the Act for administration of the program would be immediately available to the States to begin the development of the State-wide strategy. Both incumbent, reelected and newly elected Governors have responded to the program with enthusiastic interest; over two thirds have designated a State agency and 13 applications for administrative funds were received by mid-December. Many States have already developed a State strategy and are expected to submit applications for program funds in 1987.

The Bureau prepared and distributed to the States a draft Program Policy and Administrative Guidance document designed to assist the States in developing drug strategy, preparing the application for funds, and administering the program. A companion "Question and Answer" document poses the types of questions about the program being asked in the hundreds of inquiries the Bureau has received, and provides a written response.

72-165 O—87——47

These documents were distributed to the States in December for review and comment. The Bureau, with assistance from the National Institute of Justice, the Drug Enforcement Administration and other Federal, State and local agencies, is developing Program Briefs, which describe effective programs and the elements found to be critical to their success. These Program Briefs will be distributed to the States for consideration for implementation as part of the State-wide drug strategy.

Recommendations for discretionary programs which would be of greatest benefit in State and local drug control efforts were solicited from criminal justice agencies throughout the country. Programs to address drug investigation and prosecution training needs, resources for undercover officers, surveillance equipment and buy money, multi-jurisdictional task forces, treatment for drug offenders and increased use of drug screening are among the types of programs recommended. This information provides valuable assistance in program development and the establishment of program priorities. The program announcement and request for proposals will be published in the Federal Register in early 1987.

The prison capacity program is currently under development. It is anticipated that it will be announced in the Federal Register during the second quarter of 1987. Grants will be awarded during the third quarter of 1987.

Program Change: No budget authority is requested for this program in 1988. The Administration believes that the $225 million made available to State and local governments in 1987 will permit these units of government to expand their efforts to enforce State and local drug laws. Since the Tax Reform Act of 1986 will result in a substantial increase in revenue for the States in 1987 and beyond, the Administration believes that the States will be in a fiscally sound position to continue efforts begun with Federal funds in 1987.

The Congress has enacted new legislation which has necessitated the Department to request a significant increase in its 1988 budget request to address these new responsibilities which are uniquely Federal in nature. However, the Balanced Budget and Emergency Deficit Control Act of 1985 requires that Federal expenditures be reduced. Since funds are limited, the Administration must first utilize available funds to meet the requirements of the Federal Justice system. This requires that State and local assistance programs formerly funded by the Federal government must now be funded by the State or local jurisdiction which benefits from the service.

Activity: Management and Administration

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive direction & control, NIJ	52	52	$3,126	52	52	$3,286	52	52	$3,286	...	...	...
Executive direction & control, BJS	46	47	2,747	46	47	2,891	46	47	2,891	...	...	...
Executive direction & control, OJJDP	62	62	2,754	62	62	2,892	40	46	2,342	-22	-16	-$550
Executive direction & control, BJA	38	38	1,709	38	38	1,872	28	28	1,450	-10	-10	-422
Executive direction & control, OVC	28	28	1,348	28	28	1,432	28	28	1,432	...	...	...
OJP Program suport services	97	104	8,901	93	100	9,308	93	100	9,308	...	...	...
Total	323	331	20,681	319	327	21,681	287	301	20,709	-32	-26	-972

This budget activity consists of six sub-activities for offices which provide the executive direction and control and support services for all programs authorized by the Justice Assistance Act, the Juvenile Justice and Delinquency Prevention Act, the Missing Children's Assistance Act, the Victims of Crime Act, and the Anti-Drug Abuse Act.

Long Range Goal: To administer programs in the most effective and efficient manner possible.

Major Objectives:

To provide executive direction, control and coordination over the various OJP programs.

To develop annual research, development, testing, evaluation and dissemination program plans.

To monitor all on-going research projects.

To develop a range of program models which describe effective criminal justice strategies.

To maintain an effective and efficient criminal justice reference service.

To collect, analyze, and publish statistical information on crime and the operations of the justice systems at all levels of government.

To manage major national statistical series regarding crime, its victims, and the operation of the justice system.

To develop national standards for justice statistics to ensure the inter-State comparability, reliability and validity of justice statistics.

To provide support to State and local governmental organizations and facilities responsible for the collection and analysis of criminal justice data and statistics.

To develop statistical reports, focused analytic reports, bulletins and national advisories aimed at improving the understanding of the general public concerning crime, crime prevention, and the functions of law enforcement, judicial and correctional agencies.

To provide technical assistance to eligible institutions, agencies and individuals regarding implementation and operation of programs.

To direct and administer the Federal Surplus Property Transfer Program.

To direct and administer the Private Sector/Prison Industry Enhancement Certification Program.

To administer the Mariel Cuban program.

To prepare and disseminate program solicitations; review applications, concept papers or proposals; rate applicants and award grants, contracts, and cooperative agreements.

To direct and administer the State and local assistance block grant program.

To direct and administer the Anti-Drug Abuse program of State and local assistance for narcotics control.

To direct and administer the Juvenile Justice Programs.

To direct and administer the Missing Children Program.

To direct and administer a program of Emergency Federal Law Enforcement Assistance.

To direct and administer the Regional Information Sharing System program.

To monitor all active grants, contracts and interagency agreements.

To prepare annual reports as required.

To close out grants and contracts within 180 days of their end-date.

To develop and administer a program which provides grants to eligible crime victim compensation programs of 35% of amounts awarded during the preceeding year.

To develop and administer a program which awards grants to States to provide victim assistance programs.

To develop and administer a program which provides services to victims of Federal crimes.

To provide grant review and award functions in the most economical and efficient centralized manner.

To process and determine eligibility of claims for payment of benefits under the Public Safety Officers' Benefit program within two weeks of receipt of complete claims documentation.

To provide the full range of support services to the program offices.

Base Program Description: The Office of Justice Programs consists of the National Institute of Justice (NIJ), the Bureau of Justice Statistics (BJS), the Office of Juvenile Justice and Delinquency Prevention (OJJDP), the Bureau of Justice Assistance (BJA), the Office for Victims of Crime (OVC), and the offices which provide direct program support as well as the traditional administrative support to the program offices. The functions and responsibilities of the five program bureaus and offices are described in the justifications for those programs, and therefore are not repeated here.

1474

Accomplishments and Workload: The following table reflects some of the major accomplishments of the Office of Justice Programs:

Item	1985	1986	Estimates 1987	Estimates 1988
Grants and contracts awarded by NIJ	120	120	115	149
Research, development and evaluation projects monitored	245	250	240	279
Criminal justice conferences and workshops sponsored by NIJ	35	44	28	32
Statistical bulletins and special reports prepared and reviewed	21	19	27	27
Statistical reports disseminated (in thousands)	423	428	472	472
Responses to requests for statistical information	4,078	4,524	5,250	5,250
Juvenile justice formula grants awarded	53	52	52	...
Juvenile justice special emphasis grants awarded	50	40	40	...
National institute of juvenile justice grants awarded	44	30	30	...
Juvenile justice technical assistance delivered (instances)	750	750	500	500
Juvenile justice active grants monitored	300	300	300	200
PSOB claims closed	304	253	290	290
PSOB appeals closed	12	12	13	13
Grants, contracts & inter-agency agreements closed	357	315	265	240
National Victims Resource Center requests	3,414	3,500	3,500	4,200
Victim correspondence	3,405	2,500	2,800	3,200
Grant awards to victim compensation providers	36	38	43	45
Grant awards to States for victim assistance programs	51	55	57	57
State and local assistance block grants awarded (no. of States participating)	53	53	56	...
Anti-drug abuse formula grants awarded	...	...	56	...
Technical assistance provided to State and local governments by BJA	50	300	150	150
Victim technical assistance provided to private non-profit, educational and hospital institutions	300	300	300	300
Demonstration projects funded by BJA	...	30	30	...
Training workshops conducted by BJA	50	60	50	...

Program Changes: A decrease of 32 positions, 26 workyears, and $972,000 below the 1988 base is requested for 1988. This reduction occurs in the following two sub-activities:

1. Executive Direction and Control, OJJDP -
The President's 1988 budget provides no program funds for the Juvenile Justice program. Thus, a reduction of 22 positions, 16 workyears, and $550,000 is requested in 1988. The program will require at least 42 months to close down after the last year of funding, which will be 1987. This is because formula grants are awarded for a project period of up to three years (two years plus the year of award). In

addition, discretionary grants are frequently awarded late in the fiscal year of appropriation and are normally active for an eighteen month period. The grantees and sub-grantees then have 90 days to complete expenditures and 45 days to close out the grants. Accordingly, there will be a need for an existing staff to close out the program for a period of time after the first year of termination. The requested reduction will leave a staff of 40 to administer the Missing Children program and to responsibly close out the Juvenile Justice program during 1988. In 1989, we will propose a further reduction of 15 positions for the second year of phase-out. In 1990 an additional 10 positions would be cut and in 1991 another reduction of 10 would take place. The remaining four positions would administer the Missing Children program.

2. Executive Direction and Control, BJA -
A reduction of 10 positions, 10 workyears, and $422,000 is requested in 1988 for the Bureau of Justice Assistance. This request relates to the corresponding proposed elimination of funding in 1988 for the following programs: State and Local Assistance, Mariel Cubans, Regional Information Sharing Systems, and Anti-Drug Abuse. Like the Juvenile Justice program, the formula grants for State and Local Assistance and Anti-Drug Abuse are active for a three year period. In order to terminate these programs in a fiscally responsible manner and insure complete accountability for those funds which have been appropriated to date, a gradual reduction of staff over a three year period is proposed.

1476

Office of Justice Programs

Justice Assistance

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Research, Evaluation & Demonstration Programs		Criminal Justice Statistical Programs		State and Local Assistance		Emergency Assistance		Juvenile Justice Programs	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades										
GS/GM-15	...	...	...	...	...	...	...	...	...	...
GS/GM-14	...	...	...	...	...	...	...	...	...	...
GS/GM-13	...	...	...	...	...	...	...	...	...	...
GS-12	...	...	...	...	...	...	...	...	...	...
GS-11	...	...	...	...	...	...	...	...	...	...
GS-9	...	...	...	...	...	...	...	...	...	...
GS-7	...	...	...	...	...	...	...	...	...	...
GS-5	...	...	...	...	...	...	...	...	...	...
Total positions and annual rate	...	...	...	...	...	...	...	...	...	...
Total workyears and personnel compensation	...	...	...	...	...	...	...	...	...	...
Personnel benefits		...		...		...		...		...
Travel and transporation of persons		...		...		...		...		...
Communications, utilities, and miscellaneous charges		...		...		...		...		...
Printing and reproduction		...		...		...		...		...
Other services		750		750		-250		...		-3,950
Supplies and materials		...		...		...		...		...
Grants, subsidies and contributions		1,950		...		-44,150		52		-63,650
Insurance claims and indemnities		...		...		...		...		...
Total workyears and obligations, 1988	...	2,700	...	750	...	-44,400		52		-67,600

Office of Justice Programs

Justice Assistance

Financial Analysis - Program Changes (cont.)
(Dollars in thousands)

Item	Public Safety Officers' Benefits Program		Mariel Cubans		Regional Information Sharing System		Anti-Drug Abuse Program		Management & Administration		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades												
GS/GM-15	...	...	...	...	...	...	...	...	-6	-$352	-6	-$352
GS/GM-14	...	...	...	...	...	...	...	...	-7	-320	-7	-320
GS/GM-13	...	...	...	...	...	...	...	...	-5	-195	-5	-195
GS-12	...	...	...	...	...	...	...	...	-4	-130	-4	-130
GS-11	...	...	...	...	...	...	...	...	-4	-109	-4	-109
GS-9	...	...	...	...	...	...	...	...	-3	-68	-3	-68
GS-7	...	...	...	...	...	...	...	...	-2	-38	-2	-38
GS-5	...	...	...	...	...	...	...	...	-1	-15	-1	-15
Total positions and annual rate	...	...	...	...	...	...	...	...	-32	-1,227	-32	-1,227
Lapse (-)									6	315	6	315
Total workyears and personnel compensation	...	...	...	...	...	...	...	...	-26	-912	-26	-912
Personnel benefits		...		...		...		...		-10		-10
Travel and transporation of persons		...		...		...		...		-20		-20
Communications, utilities, and miscellaneous charges		...		...		...		...		-10		-10
Printing and reproduction		...		...		...		...		-5		-5
Other services		...		...		...		...		-10		-2,710
Supplies and materials		...		...		...		...		-5		-5
Grants, subsidies and contributions		...		-5,000		-12,000		-225,000		...		-347,798
Insurance claims and indemnities		-650		...		...		...		...		-650
Total workyears and obligations, 1988	...	-650	...	-5,000	...	-12,000	...	-225,000	-26	-972	-26	-352,120

Office of Justice Programs

Justice Assistance

Status of Congressionally Requested Studies, Reports, and Evaluations

1. Section 102(b) of the Justice Assistance Act of 1984 requires the Assistant Attorney General to submit an annual report to the President and Congress by March 31 of each year. The report will be submitted on time.

2. Section 810 of the Justice Assistance Act of 1984 requires the Assistant Attorney General, the Director of the Bureau of Justice Assistance, the Director of the Bureau of Justice Statistics, and the Director of the National Institute of Justice to submit to the President and the Speaker of the House of Representatives and the President of the Senate by April 1 of each year, a report on their activities from the preceding fiscal year. The annual reports for each unit will be submitted on time.

3. Section 405(c)(3) of the Missing Children's Assistance Act requires the Advisory Board on Missing Children to submit to the President and Congress an annual comprehensive plan for facilitating cooperation and coordination among all agencies and organizations with responsibilities relating to missing children. The report will be submitted during fiscal year 1987.

4. Section 204(b)(5) of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, requires the Administrator of the Office of Juvenile Justice and Delinquency Prevention to submit to the President and Congress by December 31 each year an analysis and evaluation of Federal juvenile delinquency programs. This report was submitted on December 30, 1986.

5. Section 204(c) of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, also requires the President, within 90 days of receiving the annual report addressed in item 4, to submit a response on the report to the Congress and the Federal Coordinating Council on Juvenile Justice. This report will be submitted on time.

6. Section 609U of the Justice Assistance Act of 1984 requires the Attorney General to submit to the President and Congress by April 1 of each year, a report describing Federal law enforcement emergency assistance provided during the calendar year preceding the date the report is made. The report will be submitted on time.

7. Section 1306(b) of the State and Local Law Enforcement Assistance Act 1986 requires the Director of the Bureau of Justice Assistance to submit to Congress not later than ninety days after the end of each fiscal year a report that includes with respect to each state - (1) the aggregate amount of grants made under sections 1302 and 1309 to states for each fiscal year; (2) the amount of grants expended for each of the purposes specified in section 1302; and (3) a summary of the information provided in compliance with paragraphs (1) and (2) of subsection (a). The report will be submitted on time.

Office of Justice Programs

Justice Assistance

Priority Rankings

Base Program	
Program	Ranking
Management and Administration	1
Criminal Justice Statistical Programs	2
Research, Evaluation, and Demonstration Programs	3
Public Safety Officers' Benefits Program	4
Missing Children	5
Emergency Assistance	6

Program Increases	
Program	Ranking
Research, Evaluation, and Demonstration Programs	1
Criminal Justice Statistical Programs	2
Emergency Assistance	3

Office of Justice Programs

Justice Assistance

Detail of Permanent Positions by Category
Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized	1988 Savings from Mgmt. Initiatives	1988 Program Decreases	Total
Attorneys (905)	10	10	...	...	10
Other Legal and Kindred (900-998)	2	2	...	...	2
Social Sciences, Economic and Kindred (100-199)	65	65	...	-17	48
Personnel Management (200-299)	10	10	...	...	10
General Admin., Clerical and Other Services (300-399)	168	155	...	-15	140
Accounting and Budget (500-599)	24	24	-4	...	20
Engineering and Architecture Group (800-899)	1	1	...	...	1
Information and Arts Group (1000-1099)	9	9	...	...	9
Business and Industry Group (1100-1199)	18	16	...	...	16
Library and Archives Group (1400-1499)	4	4	...	...	4
Mathematics and Statistics Group (1500-1599)	24	24	...	...	24
Equipment, Facilities and Service Group (1600-1699)	1	1	...	...	1
Supply Group (2000-2099)	2	2	...	...	2
Total	334	323	-4	-32	287
Washington	334	323	-4	-32	287

Office of Justice Programs

Justice Assistance

Summary of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1987 as enacted	323	331	$15,650
Pay and retirement supplemental	...	...	382
Program supplemental requested	....	...	27
1987 appropriation anticipated	323	331	16,059
Adjustments to base:			
Transfers to and from other accounts:			
Transfer of PASS group	...	...	1
Savings resulting from management initiatives	-4	-4	-100
Programs funded from unobligated balances	...	...	11,640
Uncontrollable increases:			
One additional compensable day	...	...	40
Annualization of Federal Employees' Retirement System Costs	...	...	650
Annualization of 1987 pay increase	...	...	330
Within grade increases	...	...	113
Locality based per diem	...	...	20
GSA rent	...	...	306
GSA recurring reimbursable services	...	...	8
Federal Telecommunications System (FTS)	...	...	39
Telephone service	...	...	20
GPO printing costs	...	...	16
Employee data and payroll services	...	...	15
Audiovisual and media services	...	...	3
General pricing level adjustment	...	...	1,310
Total, uncontrollable increases	...	...	2,900
Decreases:			
Reduction for change in hourly rate	...	...	-32
Reduction in health benefits	...	...	-18
Reduction in per page cost of FR and CFR	...	...	-1
Federal Employees Compensation Act (FECA) - Workers Compensation	...	...	-116
Total, decreases	...	...	-167
1988 Base	319	327	30,423

Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Transfers to and from other accounts:			
1. Transfer of FASS group	...	...	$1
This represents the transfer of the Financial and Administrative Systems Support Group from the General Administration to the Working Capital Fund. The transfer of this group will place all of JMD financial, administrative systems support services on a user-reimbursable basis.			
Savings Due to Management Initiatives	-4	-4	-100
This request provides for a decrease of 4 positions, 4 FTE and $100,000 due to anticipated savings from consolidation of administrative support activities.			
Programs Funded from Unobligated Balances	...	...	11,640
This request represents an adjustment required in order to reflect actual base levels for certain programs. The 1987 appropriation language and Conference Committee report specified that carryover funds be added to new budget authority for several OJP programs.			

Following are the programs which require adjustment:

Criminal Justice Statistical Programs	$2,980
State and Local Assistance	4,400
Public Safety Officers' Benefits Program	740
Emergency Assistance	1,148
Regional Information Sharing System	2,100
Management and Administration	272
Total	11,640

Uncontrollable increases:			
1. One additional compensable day	...	...	40
The annual salary rate for Federal employees is based on 260 paid days. FY 1988 has one more compensable day (262) than 1987 (261). (Permanent personnel compensation $9,450,000: 260 = $36,000 plus $4,000 for benefits.)			
			43

	Perm. Pos.	Work-years	Amount
2. Annualization of Federal Employees' Retirement System Costs..... This request provides for the additional costs in 1988 necessary to continue implementation of the Federal Employees' Retirement System Act of 1986, P.L. 99-335. This act established a retirement program for Federal civilian employees and postal workers hired after December 31, 1983 who are covered by social security, and for employees under the Civil Service Retirement System who choose to transfer into the new system. The calculations were determined from an OMB approved formula. Additionally, $23,000 of the 1987 requirement was absorbed. Total annualization required is $650,000.	...	...	$650
3. Annualization of 1987 pay increase..... This request provides for the annualization of the January 4, 1987 pay increase. The calculation of the amount required for annualization is based on 68 paid days (October 1, 1986 through January 3, 1987) which were not included in the pay raise amount of $502,000. Additionally, $172,000 of the 1987 pay requirement was absorbed. Total annualization required is $330,000.	...	...	330
4. Within-grade increases..... This request provides for an expected increase in the cost of within-grade increases. This increase is generally consistent with increase experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation $102,000 and benefits $11,000 = $113,000.)	...	...	113
5. Locality based per diem..... Public Law 99-234 authorized a new locality-based per diem and lifted the $75.00 ceiling in certain geographic areas. An uncontrollable increase of $25,000 is required to meet the expected 5 percent increase to total travel funds.	...	...	25
6. GSA rent..... In 1987 the Rent System replaces the Standard Level User Charges (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $306,000 is required to meet our commitment to GSA.	...	...	306
7. GSA recurring reimbursable services..... Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.2 percent increase of $8,000 in fees for these services in 1988 over 1987 charges of $180,000.	...	...	8
			44

	Perm. Pos.	Work-years	Amount
8. Federal Telecommunications System (FTS) The General Services Administration has advised of a 16 percent increase in Federal Telecommunications System (FTS) Intercity costs for 1986. This increase is mainly due to unanticipated tariff increases, savings GSA had built into their original budget estimate which will not materialize and FY 1985 costs which were not billed by GSA last year. An increase of $39,000 over the 1987 base of $144,000 is requested.	...	...	$39
9. Telephone service On February 25, 1986, the District of Columbia Public Service Commission (PSC) issued its final order in the Chesapeake and Potomac telephone company (C&P) rate case. The PSC, in its order, allowed C&P to increase its rates by $31 million and set the rates for C&P's intrastate services. The PSC order affects the rates the Federal Executive Agencies will pay for basic exchange service, CENTREX services, service connections, direct inward dialing services and channel services. These changes will increase the FY 1987 cost of operating the Justice Telecommunications Service (JTS) by an estimated $552,000. An increase of $25,000 over the 1987 base of $275,000 is requested to pay these charges.	...	...	25
10. GPO printing costs The Government Printing Office (GPO) is currently projecting a 3 to 4 percent increase over the 1987 printing cost of $400,000. An additional $16,000 will be required in 1988.	...	...	16
11. Employee data and payroll services Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems maintenance and payroll accounting are based on the number of records maintained. The rate of $145.64 per record in FY 1986 will be raised to $155.76 per record for FY 1988. The change is based on anticipated uncontrollable cost increase of 6.9 percent for the operation of the Justice Employee Data Service. An additional increase of $10,000 has been included to improve the Human Resources Management Information System (HRMIS). This improvement will enhance the productivity of all Department components as well as the support units of accounting, budgeting and procurement. This retooling of support systems will allow the Department to operate an efficient, effective and business-like administrative operation.	...	...	15
12. Audio visual and media services This increase reflects proposed rate increases for various types of audiovisual services. An estimated 16.5% overall increase will be assigned to each affected organization for 1988. This equates to an increase of $3,000 over the 1987 base of $20,000.	...	...	3
			43

	Perm. Pos.	Work-years	Amount
13. General pricing level adjustment..... This request applies OMB pricing guidance as of December 1986 to selected expense categories. The increased costs identified result from applying a factor of 3.7 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.	...	...	$1,418
Total uncontrollable increases.....	...	...	2,988
Nonrecurring Decreases:			
1. Reduction for change in hourly rate..... Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985 required that the computation of annual salary rates to be based on 2,087 hours rather than 2,080. The same amount that was reduced in 1984 and restored in 1986 is requested for reduction in 1988.	...	...	-32
2. Reduction in health benefits..... The Federal Employees' Health Benefits Act (P.L 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1986, the Department's actual contribution to health insurance decreased approximately 5 percent due primarily to reduced carrier rates. The requested decrease includes $18,000 for decreased rates over the 1987 budgeted base of $340,000.	...	...	-18
3. Reduction in per page cost of the Federal Register and the Code of Federal Regulations..... The Legislative Branch Appropriation Act of 1978 (P.L. 95-941) amended the Federal Register Act to require Federal agencies to reimburse the Government Printing Office for costs of printing, binding, and distributing the Federal Register (FR) and the Code of Federal Regulations (CFR). The current cost estimates from GPO indicate a per page cost of $390 for the FR and $55 for the CFR for 1988. This represents an $18 per page decrease for the FR and a $5 per page decrease for the CFR.	...	...	-1
4. Federal Employees' Compensation Act (FECA) - workers compensation..... This decrease reflects the billing provided by the Department of Labor for the actual costs in 1986 of employees' accident compensation. The 1988 amount will be $62,000, or $114,000 less than the 1987 base.	...	...	-$114
Total decreases.....	...	...	-165
Total, adjustments to base.....	-4	-4	2,823

Office of Justice Programs

Justice Assistance

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1987 Estimate		1988 Request		Increases/Decreases	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Executive Level, IV, $72,300	4		4		...	
ES-5, $70,500	1		1		...	
ES-4, $68,700	5		5		...	
ES-2, $63,764	1		1		...	
GS/GM-15, $53,830-69,976	30		24		-6	
GS/GM-14, $45,763-59,488	64		57		-7	
GS/GM-13, $38,727-50,346	58		54		-4	
GS-12, $32,567-42,341	43		38		-5	
GS-11, $27,172-35,325	24		20		-4	
GS-10, $24,732-32,148	2		2		...	
GS-9, $22,658-29,199	15		10		-5	
GS-8, $20,333-26,435	8		8		...	
GS-7, $18,358-23,866	20		16		-4	
GS-6, $16,521-21,480	19		19		...	
GS-5, $14,822-19,268	18		17		-1	
GS-4, $13,248-17,226	9		9		...	
GS-3, $11,802-15,339	2		2		...	
Total, appropriated positions	323	$13,178	287	$11,695	-36	-$1,483
Pay above stated annual rates	...	48	...	84	...	36
Lapses	...	...	6	254	6	254
Net savings due to lower pay scales for part of year	...	-158	...	...	...	158
Net full-time permanent	323	13,068	293	12,033	-30	-1,035
Other than permanent:						
Part-time permanent	5	149	5	158	...	9
Temporary employment	3	68	3	72	...	4
Other part-time and intermittent employment	...	...	...	...	...	...
Other personnel compensation:						
Overtime	...	12	...	12	...	...
Other compensation	...	88	...	88	...	...
Special personal services payments	...	150	...	...	...	-150
Total, workyears and personnel compensation	331	13,535	301	12,363	-30	-1,172
Average ES Salary		($68,252)		($68,252)		
Average GS/GM Salary		($39,779)		($39,594)		
Average GS/GM Grade		(11.17)		(11.10)		

Office of Justice Programs

Justice Assistance

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class		1987 Estimate Workyears	1987 Estimate Amount	1988 Request Workyears	1988 Request Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1	Full-time permanent	323	$13,068	293	$12,033	-30	-$1,035
11.3	Other than full-time permanent	8	217	8	230	...	13
11.5	Other personnel compensation	...	100	...	100	...	...
11.8	Special personal services payment	...	150	...	...	...	-150
	Total	331	13,535	301	12,363	-30	-1,172
Other objects:							
12	Personnel benefits		1,694		2,277		583
13	Benefits for former personnel		18		18		...
21	Travel and transportation of persons		645		587		-58
22	Transportation of things		3		3		...
23.1	Standard level user charges		1,531		1,837		305
23.2	Rental payments to other		56		58		2
23.3	Communications, utilities and miscellaneous charges		1,077		1,169		92
24	Printing and reproduction		705		715		10
25	Other services		27,998		23,253		-4,745
26	Supplies and materials		254		187		-67
31	Equipment		150		50		-100
41	Grants, subsidies, and contributions		390,386		25,786		-364,600
42	Insurance claims and indemnities		10,709		10,000		-709
	Total obligations		448,756		78,303		-370,453
Recovery of prior year obligations			-537		...		
Unobligated balance, start of year			-32,160		...		
Unobligated balance, end of year			...		...		
Total requirements			416,059		78,303		
Relation of obligations to outlays:							
Total obligations			448,756		78,303		
Obligated balance, start-of-year			226,171		407,728		
Obligated balance, end-of-year			-407,728		-165,074		
Adjustments in unexpired accounts			-537		...		
Outlays			266,662		320,957		

Office of Justice Programs

Justice Assistance

Consulting and Related Services
(Dollars in thousands)

	1986 Actual	1987 Estimate	1988 Estimate
Consulting Services	...	$50	...
Management and Professional Services	$7,967	6,000	$6,000
Special Studies and Analysis	...	150	150
Total	7,967	6,200	6,150

Consulting and related services are used in the Office of Justice Programs only for services which cannot be performed in-house or are more cost effective to contract out. Services are required to support program areas that have been selected for national emphasis.

Department of Justice

Office of Justice Programs

Crime Victims Fund

Estimates for Fiscal Year 1988

Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes to the Appropriation Language	2
Summary of Requirements	3
Justification of Program and Performance	4
Status of Congressionally Requested Studies, Reports, and Evaluations	7

Office of Justice Programs

Crime Victims Fund

Summary Statement

Fiscal Year 1988

The Crime Victims Fund was established by the Victims of Crime Act of 1984, as amended by the Children's Justice Assistance Act of 1986. Current legislation provides for the deposit into the Fund of Federal criminal fines, bond forfeitures, and penalty assessments up to $110,000,000. These funds are used for four programs: 1) reimbursements to States for victim compensation programs (up to 35% of their prior year expenditures); 2) each State receives an allocation for the purpose of providing services, other non-financial assistance, and limited emergency financial assistance to victims of crime; 3) training and technical assistance services to eligible crime victims assistance programs and for the financial support of victims of Federal crime by eligible crime victim assistance programs; and 4) Children's Justice/Child Abuse Prevention and Treatment grants. Any funds currently collected which exceed $110,000,000 are deposited into the General Fund of the Treasury. The request for 1988 proposes an obligation limitation of $35,000,000 which will still be sufficient to encourage development of additional crime victim programs at the state and local level. In addition, the savings gained can be used to offset the Federal deficit.

Office of Justice Programs

Crime Victims Fund

Justification of Proposed Changes in Appropriation Language

The 1988 budget estimates include proposed changes in the appropriations language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Not to exceed [$64,000,000] shall be obligated during fiscal year [1987] for victim compensation and assistance programs, notwithstanding section 1402, 1403, or 1404 of the Victims of Crime Act of 1984 (Public Law 98-473). $35,000,000 1988

Explanation of Changes:

An obligation limitation is proposed for 1988.

1492

Office of Justice Programs

Crime Victims Fund

Summary of Requirements
(Dollars in thousands)

	1986 Actual	1987 Anticipated	1988 Requested
Collections a/	$62,506	$70,000	$75,000
Total obligations b/	64,899	65,920	71,920
Proposed reduction of obligations	...	-1,920	-36,920
Proposed obligation limitation	64,899	64,000	35,000
Outlays related to proposed obligation limitation	8,806	65,479	55,428
Obligations by activity:			
Victim compensation	23,477	28,296	17,325
Victim assistance o/	41,422	35,704	17,675
Total	64,899	64,000	35,000

a/ Includes adjustment in available collections. Obligations incurred in fiscal year following year of collections.
b/ Does not include offsetting collections erroneously credited to account.
o/ Includes Federal Victim Assistance and Children's Justice Assistance programs.

Office of Justice Programs

Crime victims fund

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Crime Victims Fund

	1986 Obligations	1987 Anticipated Obligations	1988 Requested Obligations
Victim Compensation	$23,477	$28,296	$17,325
Victim Assistance	41,422	35,704	17,675
Total	64,899	64,000	35,000

The Crime Victims Fund was established by the Victims of Crime Act of 1984 as amended by the Children's Justice Assistance Act of 1986. Funds collected from Federal criminal fines, bond forfeitures, and penalty assessments up to $110,000,000 are deposited in the Fund. The funds collected in one year are then awarded to the states in the following year for victim compensation and assistance programs.

Long Range Goal: To ensure that victims of crime have access to compensation and assistance programs designed to reduce the emotional, financial, and physical effects of victimization and to support and facilitate the participation of crime victims in the criminal justice process.

Major Objectives:

To implement the provisions of the Victims of Crime Act of 1984, as amended.

To monitor state compensation and victim assistance programs to ensure compliance with Federal guidelines.

To provide technical assistance to the states in implementing victim assistance and victim compensation programs.

To compile and analyze data submitted by the state programs.

To prepare a report to Congress on the progress and achievements of the victim compensation program.

To monitor compliance with the Attorney General's Guidelines for Victim and Witness Assistance.

Base Program Description: The victims of crime program is funded by collections of fines, penalty assessments, and bond forfeitures from people convicted of Federal crimes. Funds are deposited on a regular basis into the Crime Victims Fund, up to $110,000,000. Funds are not obligated during the year of collection. They are allowed to accumulate for one year so that the total amount is known for computation of the amounts to be distributed to each state for compensation and assistance. Therefore, funds collected in 1986 are awarded in 1987 and funds collected in 1987 will be awarded in 1988. Approximately $62.5 million was deposited in the fund during 1986. It is anticipated that collections will increase in 1987 and that they will total $70,000,000.

Funds are targeted at four program areas. Following is the distribution of funds by program, based on the availability of up to $100 million in the Fund:

1. Crime Victim Compensation - The legislation sets aside 49.5 percent of the Fund for this purpose. These funds are distributed to the states on the basis of 35% of their victims compensation payouts during the preceding fiscal year. Money from the Fund cannot be used to pay administrative expenses of the state's victims compensation program. Any money unspent by a state within two fiscal years of receipt will be deposited in the General Fund of the Treasury.

2. Crime Victim Assistance - Forty-five percent of the Fund is set aside to be awarded to states for the purpose of providing services, other nonfinancial assistance, and limited emergency financial assistance to victims of crime. In addition, money set aside in the Fund for victims compensation that was not awarded because of the 35% cap would be added to the assistance portion of the Fund. Priority must be given to eligible crime victim assistance programs which provide assistance to victims of sexual assault, spousal abuse or child abuse. Each state has named a state official to administer the assistance funds awarded under the Act. The designated official is responsible for awarding the funds to eligible victim assistance recipient organizations in the state, administering the awards, and monitoring the fiscal and programmatic performance of fund receipts. Recipient organizations eligible for victim assistance funding would be non-profit organizations, agencies of state or local governments (or combinations of such entities) which provide services to victims of crime, including crisis intervention services, emergency aid, and assistance to victims participating in criminal justice proceedings.

3. Federal Victims Assistance - The Attorney General shall make available one percent of the total Fund for training and technical assistance services to eligible crime victims assistance programs and for the financial support of services to victims of Federal crime by eligible crime victim assistance programs.

4. Children's Justice - The legislation requires that 4.5 percent shall be made available for Child Abuse Prevention and Treatment grants. The Department of Health and Human Services is authorized to award grants to states to assist in developing, establishing, and operating programs designed to improve the handling of child abuse cases and the investigation and prosecution of cases of child abuse, particularly child sexual abuse.

If deposits in the Fund exceed $100 million, the first $5.5 million would be available for the Children's Justice program. An available amount in excess of $105.5 million and up to $110 million would be available for the Victim Assistance program for States.

Accomplishments and Workload: During 1986, the Office for Victims of Crime awarded $23,477,000 to 38 states for victim compensation programs and $41,233,000 to 55 states and territories for victim assistance programs. In 1987, the Office anticipates awarding $28,296,000 to 40 states for victim compensation and $30,772,000 to 57 states and territories for victim assistance. Four regional meetings of appropriate state officials were convened by the Office to facilitate successful implementation of the compensation and assistance awards.

The Office continued grants with the National Sheriffs' Association, the National Association of Attorneys General, the National District Attorneys' Association, and the National Organization of Black Law Enforcement Executives to further the implementation of the recommendations of the President's Task Force on Victims of Crime. The Office provided staff support for the President's Child Safety Partnership, and organized its seven public hearings and four business meetings.

A training conference concerning the treatment of victims of Federal crime for U.S. Attorneys' Victim-Witness Coordinators was held December 2-4 1985, jointly sponsored by the Office for Victims of Crime and by the Executive Office for U.S. Attorneys. Mailouts were subsequently made to all U.S. Attorneys and numerous questions have been responded to by the Office. A seminar on victim assistance guidelines development for Federal law enforcement agencies was sponsored by the Office in August 1986, and the Office has provided $171,000 to the Federal Law Enforcement Training Center to improve the training of Federal officers concerning victims of crime. Finally, preparations have been made to monitor the compliance of Federal enforcement agencies with the requirements of the Victim-Witness Protection Act of 1982.

Program Change: It is requested that an obligation limitation of $35,000,000 be placed on the Crime Victims Fund. This reduction is requested in order to reduce the negative impact on the total Federal deficit caused by expenditures from the Crime Victims Fund. The amount requested will still be sufficient to encourage development of additional crime victim programs at the state and local level. In addition, the savings realized would be used to offset the Federal deficit. A request to amend the authorizing legislation to reduce the fund limitation from $110,000,000 to $35,000,000 will be transmitted to Congress in the near future.

Office of Justice Programs

Crime Victims Fund

Status of Congressionally Requested

Studies, Reports, and Evaluations

Section 1407(h) of the Victims of Crime Act of 1984 requires that a report by the Attorney General on the effectiveness of the Act be submitted to the President and Congress on the revenue derived from each source described in section 1302 and on the effectiveness of activities supported under the Act. The first report is due on December 31, 1987.

OPENING STATEMENT

Mr. DWYER. The Committee is pleased to welcome the Assistant Attorney General for the Office of Justice Programs, Richard B. Abell.

Mr. Abell, you may proceed with your statement at your own pace.

Mr. ABELL. Thank you, sir. I would also like to quickly introduce the other witnesses that are here with me today: Mr. Verne Speirs, the Acting Administrator of the Office of Juvenile Justice; Mr. James Stewart, Director of the National Institute of Justice; Mr. Steven Schlesinger, Director of the Bureau of Justice Statistics; Mr. Allen Vander-Staay, Budget Officer; and Mr. Michael Roper, Deputy Comptroller for Budget, Office of the Comptroller.

Now sir, I am pleased to have the opportunity to appear before you in support of the 1988 budget request for the Office of Justice Programs. The request is for $78,303,000 and 287 positions, which represents a net decrease of $337,756,000 and 36 positions from the $416,059,000 appropriation anticipated for 1987.

Included in this request is an increase of $14,464,000 for various adjustments to base and program increases of $3,502,000 for Research, Evaluation, and Demonstration Programs, Criminal Justice Statistical Programs and Emergency Assistance.

Decreases totaling $354,972,000 and 32 positions are requested to terminate the State and Local Assistance, Juvenile Justice, Mariel Cubans, and the Regional Information Sharing Systems programs. A decrease of $650,000 is also requested for the Public Safety Officer's Benefits program. In addition, a reduction of four positions and $100,000 is requested for management and productivity savings.

PROGRAM INCREASES

This budget request includes an increase of $2,700,000 for Research, Evaluation, and Demonstration Programs to fund three new initiatives to control the supply and demand for illegal drugs. Of the funds requested, $1,350,000 will be used to implement a druguse "early-warning system"; $600,000 will be utilized to conduct research into the effectiveness of intensive crackdowns on street-level drug dealers; and $750,000 will fund the dissemination of public service announcements targeted at youngsters and teenagers.

For Criminal Justice Statistical Programs, an increase of $750,000 is requested for a white-collar crime statistical series initiative. This initiative will provide the first empirical estimate of the number of white-collar crime incidents reported, investigated, prosecuted, or otherwise handled by Government agencies, and responds directly to continued interest of the Department of Justice, Congress, the States, and the general public by filling the current void in our knowledge of criminal activity in the Nation. Project findings will provide empirical data to support legislative, budget, and correctional strategies at the Federal and State levels.

Our request includes an increase of $52,000 for Emergency Assistance, simply to maintain the program at its current level.

A decrease of $44,400,000 is requested to terminate the State and Local Assistance program. The three years of funding which have been provided for this program have given the States and localities ample opportunity to determine if the projects funded have resulted in greater efficiency and/or reduced costs. If results had been positive, then those States and localities should be willing to use their own revenues to continue the projects.

A decrease of $67,600,000 is requested for Juvenile Justice Programs. The Federal Government has provided about $1 billion over the past 13 years for this program. The Administration is pleased that much has been accomplished over those years with Federal funds, particularly in the areas of deinstitutionalization of status offenders, separation of adults and juvenile offenders' and jail removal, which are the major thrusts of the legislation. The responsibility for any further funding for Juvenile Justice Programs should be at the State and local government levels.

A reduction of $650,000 is requested for the Public Safety Officers' Benefits Program. The reduced level of resources requested is the result of a decline in the number of eligible claims paid over recent years and does not represent a lower program effort.

The budget requests a decrease of $5 million for the Mariel Cuban Program. As you are aware, these prisoners are incarcerated in State and local facilities because they have committed State and local offenses. Upon their release, they will be transferred to Federal custody. The Department of Justice must first utilize available funds to meet Federal responsibilities.

A decrease of $12 million is proposed for the Regional Information Sharing System Program, RISS. The original RISS projects were funded by the Department of Justice in the mid-1970's on a demonstration basis, with the expectation that financial support for these intelligence networks would, in time, be assumed by the State and local law enforcement agencies which they serve. Since 1975, when the first project was funded, the Federal Government has provided over $74 million for these projects and although the number of RISS projects has now grown to seven, only a small portion of the law enforcement community is benefited. These projects are the only law enforcement activities at the State and local level which are funded almost entirely by the Federal Government and no significant action has been undertaken toward achieving funding by the State and local agencies which are served.

The budget request also includes a decrease of $225 million for the Anti-Drug Abuse Program. This is another grant program for States and localities which should not be viewed as a permanent, ongoing source of funds. These funds were first appropriated in 1987 and can be used at the State and local levels for a three-year period. The Department of Justice is confident that this funding will help State and local governments to coordinate and improve their drug enforcement efforts. They can then continue to build upon these efforts with their own funds. The role of the Federal Government must be that of encouraging the development of, rather than sustaining, locally-based programs to deal with drug abuse.

The reduction of $972,000 and 32 positions requested for Management and Administration is due to the proposed termination of

funding for the Juvenile Justice, State and Local Assistance, Anti-Drug Abuse, Mariel Cubans, and RISS programs. The Office of Juvenile Justice and Delinquency Prevention will be decreased by 22 positions, and the Bureau of Justice Assistance will be decreased by 10 positions.

CRIME VICTIMS FUND

I also wish to address the Crime Victims Fund, which is financed by Federal criminal fines, bond forfeitures, and penalty assessments. Currently, legislation allows the deposit of up to $110 million into the Fund. In 1987 the Justice Assistance appropriation language provides an obligation limit of $64 million. Our 1988 request proposes an obligation limitation of $35 million. This level of resources will be sufficient to encourage the development of additional crime victim programs at the State and local levels, and the savings realized can be used to offset the Federal deficit.

LIMITED FEDERAL FUNDS AVAILABLE

With regard to the various program decreases requested in this budget, I wish to emphasize that these State and local assistance programs must now be funded by those jurisdictions which have been receiving the benefits over the years. Since Federal funds are not unlimited, we must first use available funds to meet the requirements of the Federal justice system. The Department's position on funding of these grant programs was perhaps best summarized by the Attorney General in his testimony before the Senate Judiciary Committee on February 4, 1987, where he said, "I think it is very important in allocating resources and in recognizing that there is a limited amount of funds available that we decide where the Federal Government ought to be spending its money. There is no doubt in my mind whatsoever that it ought to be on the Federal functions."

This concludes my statement, Mr. Chairman. I shall, of course, be happy to answer any questions.

[The biographies of Mr. Abell and Mr. Speirs follow:]

[CLERK'S NOTE.—The prepared statement was read verbatim during the hearing and will not be repeated again in the record.]

BIOGRAPHY OF RICHARD BENDER ABELL

The President nominated Richard Bender Abell to be Assistant Attorney General of the Office of Justice Programs, Department of Justice on February 24, 1987. He has served as the Acting Assistant Attorney General since October 20, 1986. Prior to that appointment he was the Deputy Assistant Attorney General, Office of Justice Programs. His previous employment includes Director, Office of Program Development, Peace Corps; Representative for Central Pennsylvania for United States Senator Richard Schweiker; Assistant District Attorney, Chester County, Pennsylvania; and Associate, Law Offices of Reilly and Fogwell, West Chester, Pennsylvania. On January 10, 1985, he was appointed by the President to the Federal Prison Industries Board of Directors serving as Representative for the Attorney General.

Richard Bender Abell was born in Philadelphia, Pennsylvania on December 2, 1943. From the George Washington University, he received both a B.A. degree in Internaitonal Affairs in 1966 and a J.D. degree in 1974. He served in the United States Army, First Air Cavalry Division, from 1969 to 1971 and received an Air Medal, the Purple Heart, the Army Commendation Medal for Heroism and the Combat Infantryman's Badge.

Richard Bender Abell is married and has three children. He currently resides in Alexandria, Virginia.

BIOGRAPHY OF VERNE L. SPEIRS

Verne L. Speirs was named Acting Administrator of the Office of Juvenile Justice and Delinquency Prevention, U.S. Department of Justice, on June 9, 1986.

Mr. Speirs also continues as Administrator of the Office for Victims of Crime in the Department's Office of Justice Programs, a position he has held since October 13, 1985, Before joining the Justice Department, Mr. Speirs was Executive Assistant to the Chairman of the U.S Merit System Protection Board from 1982 to 1985. Prior to that appointment, he held positions in a number of criminal justice agencies in the State of California, including the California State Office of Criminal Justice Planning, and work with the Sacramento County Law and Justice Agency.

For three years, from 1975 to 1978, Mr. Speirs was in charge of planning and program development with the Sacramento County Department of Probation. In that position, he was responsible for planning and managing grant programs for adult and juvenile offenders. From 1966 to 1974, Mr. Speirs served as a probation officer with the Santa Clara and Sacramento County Departments of Probation, rising to Senior Deputy Probation Officer in Sacramento County, where he was responsible for the supervision and treatment of serious adult felons and hard-core juvenile offenders.

Mr. Speirs also has held teaching positions with Golden Gate University and the Los Rios Community College District, and in 1977 he was named Golden Gate University's "Instructor of the Year."

He received a Master of Science degree in correctional counseling from the California State University at Sacramento in 1972 and a B.A. in corrections and psychology from the California State University at San Jose in 1966.

Mr. Speirs, who was born on June 10, 1942, is married and has two children.,

LAW-RELATED EDUCATION PROGRAM

Mr. DWYER. Thank you. In its report accompanying the fiscal year 1986 appropriation bill, the House and this Committee instructed that the coordinated national law-related education program be supported at a level of not less than $2.2 million. Nonetheless, the Office of Juvenile Justice and Delinquency Prevention only provided $1.5 million for the implementation of the program. And last year, in report language, the position was reiterated.

Now, how much of that $2,200,000 is going to be obligated to that program?

Mr. ABELL. Yes, sir. With your permission, I would like to ask Mr. Speirs, the Acting Administrator of the Office of Juvenile Justice, to respond to that question.

Mr. SPEIRS. Last year, I believe $1,535,000. What we have asked them to do is submit their budgets, and I do think we have the budgets coming in at about $2.2 million, and we are in the process of looking at their budgets, looking at the program, and seeing whether they are implementing the program at that level.

Mr. DWYER. What about the budgets that were submitted in the prior year, were they not up to $2.2 million? Or had you objected to some of the things that were included in the budget?

Mr. SPEIRS. I was not there. I did not look and object at that budget level, and I cannot tell you what they had submitted. I just know what the level of effort was at that period of time. I know the language this year does talk about $2.2 million.

Mr. DWYER. I wonder if you would provide for the record a report on the requests that were made in 1986?

Mr. SPEIRS. In 1986?

Mr. DWYER. Yes.

Mr. SPEIRS. Certainly.

[The information follows:]

LAW-RELATED EDUCATION PROGRAM

Grantee	Requested amount	Award amount
In fiscal year 1986 the following requests for funding were made:		
American Bar Association	$176,410	$176,410
National Institute for Citizen Education in the Law	431,082	431,082
Law in a Free Society	456,400	456,400
Constitutional Rights Foundation	336,000	336,000
Phi Alpha Delta	135,000	135,000
Total	1,534,892	1,534,892

MARIEL CUBAN PROGRAM

Mr. DWYER. You propose to eliminate funds for incarceration of Mariel Cubans and not reimburse States for the costs that they are suffering.

Mr. ABELL. Yes, sir. For fiscal year 1988.

Mr. DWYER. If the Congress decides in its wisdom to continue the Mariel Cuban funding, how much would be required for the fiscal year 1988?

Mr. ABELL. I do not know, sir. In terms of what would be required, I do not have a response.

Mr. DWYER. You don't have any idea how many Mariel Cubans are now incarcerated in the States?

Mr. ABELL. That we can supply.

Mr. DWYER. Yes.

Mr. ABELL. For 1987, it would be anticipated that there would be 12,416. Now, that number was supplied by the States requesting funds. INS and the Bureau of Justice Assistance have not yet verified those numbers.

Mr. DWYER. How many Mariels have been moved out of the State and local prison facilities in 1986?

Mr. ABELL. The Immigration and Naturalization Service would have those figures. I would be happy to supply those for the record, if I may.

Mr. DWYER. Well, would you do that, supply it for the record?

Mr. ABELL. Certainly.

[The information follows:]

MARIEL CUBANS RELEASED FROM STATE AND LOCAL FACILITIES

According to the Immigration and Naturalization Service, approximately 650 Mariel Cubans were moved out of State and local prison facilities in 1986.

MISSING CHILDREN PROGRAM

Mr. DWYER. Most of the accomplishments and workload for the missing-children program, displayed on page 25 of your justification, increased from fiscal year 1987 to fiscal year 1988, and yet your funding remains level. Why is that, even though you expect to have a larger burden?

Mr. ABELL. Yes, sir. Well, with your permission, I would like again to ask the Acting Administrator, Mr. Speirs, to respond to that.

Mr. SPEIRS. May I ask you to repeat the question? I am not sure exactly what you wanted me to respond to on that.

Mr. DWYER. Most of the accomplishments and work load for the missing-children program, displayed on page 25 of your justification, increased from fiscal year 1987 to fiscal year 1988. Yet your funding remains level. Why?

Mr. SPEIRS. So I can be accurate and give you the best information, I would like to submit that for the record.

Mr. DWYER. Okay. Thank you.

[The information follows:]

MISSING CHILDREN'S PROGRAM WORKLOAD AND ACCOMPLISHMENTS

The workload and accomplishments information on page 25 of the budget justification does not show an increase in workload in FY 1988. The information shows an increase in the workload associated with the State (public) missing children clearinghouses and a decrease in the workload estimates associated with the National Center for Missing and Exploited Children.

REGIONAL INFORMATION SHARING SYSTEM PROGRAM

Mr. DWYER. You are again recommending to eliminate the funding for the Regional Information Sharing System. Don't you believe that this program is of immense value for State and local law enforcement offices who otherwise could not afford it?

Mr. ABELL. Well, it may or may not be of value, but after some 11 or 12 years of funding, we feel that the use of $74 million for what should have originally been start-up funding has more than expired in its time. If the programs are good, the States and locals should, in fact, contribute and pick them up.

Mr. DWYER. Have you approached the States on that basis to see if they would pick up the costs?

Mr. ABELL. I understand there has been some discussion about picking up more of the cost. I have heard that between five and ten percent of the cost is being picked up this year.

Mr. DWYER. Who held those discussions with the States?

Mr. ABELL. I believe our Office of the General Counsel has had some discussions, sir.

WHITE COLLAR CRIME STATISTICS INITIATIVE

Mr. DWYER. You request an increase of $750,000 for a white-collar crime initiative.

Mr. ABELL. Yes, sir.

Mr. DWYER. Why is this required, and what benefits do you foresee coming out of the initiative?

Mr. ABELL. With your permission, I would like to ask Mr. Schlesinger, the Director of the Bureau of Justice Statistics, to respond to that.

Mr. SCHLESINGER. Mr. Chairman, the initiative would provide the first empirical estimate of the number of white-collar crime incidents which are reported, investigated, prosecuted, and otherwise handled by Government agencies.

Moreover, the data would permit evaluation of alternative procedures for controlling white-collar crime—for example, civil versus criminal versus an administrative approach—and thus would facilitate long-term cost savings in crime control programs.

Project findings will also provide data to support legislative, budget, and correctional strategies at the Federal and State levels. Program costs would be minimized by using data already collected by different agencies and incorporating the analysis effort in the already existing Federal data analysis program at BJS.

In light of recent events, especially in light of the insider-trader cases, and the continuing concern over Government integrity, we anticipate that congressional and public requests for data on white-collar crime activity will increase markedly in the future.

Finally, I would add that any effort to control white-collar crime would increase the integrity of America's work place and would enhance our competitiveness and productivity in the world trade arena.

Mr. ABELL. We could supply that for the record.

Mr. DWYER. Well, maybe you could tell us something about who came up with the idea to go into this white-collar crime initiative study?

Mr. SCHLESINGER. This is an idea that I had originally talked about with former Deputy Attorney General Lowell Jensen. He agreed that there was a real lack of data on the processing of white-collar cases both at the Federal and at the State levels addressing that void is very important.

[CLERK'S NOTE.—This more detailed information was prepared for the record subsequent to the hearing:]

PURPOSE OF WHITE-COLLAR CRIME INITIATIVE

Subsequent to the hearing, the following information was provided:

The study will also provide data on the estimated losses associated with such incidents; the nature of individual and corporate offenders involved; the extent to which such incidents are investigated and sanctioned through the criminal, as opposed to civil, administrative or regulatory process; the percent of offenders prosecuted, convicted and sentenced; the extent and impact of civil sanctions; and the nature of correctional experiences faced by convicted offenders (including, for example, time served by offenders, nature of correctional experiences faced by convicted offenders (including, for example, time served by offenders, nature of correctional institutions, etc.)

The proposed program would collect data on each of these matters, initially at the Federal level, and eventually from the States as well. Data would be obtained initially from operational records maintained by Federal agencies (e.g., the Department of Justice, the Securities and Exchange Commission, Comptroller of the Currency, Inspector General offices). At a later date, data would be obtained from sources such as State Attorneys General and state fraud units in order to develop overall national estimates of white-collar crime activity and costs.

In order to ensure that project products respond to actual needs, criminal justice, legislative, judicial and academic experts would be convened to identify the relevant crime categories and data elements which are of priority interest. An initial report would describe the general Government response to white-collar crime incidents. Later reports would describe particular subject matters, including, for example, the impact on corrections and the advantages of criminal vs. civil processing. Trend data will also be developed to evaluate the effect of changed policies and processes. The data described do not now exist. Initiation of such a comprehensive program would accurately reflect the Government's commitment to white-collar crime control.

Mr. DWYER. What purpose would it serve?

Mr. SCHLESINGER. Well, for example, one of the things that we would very much like to know is the kinds of sentences that white-collar criminals are receiving at the Federal and State levels. Once

we know the sentences, it would be very interesting to know the length of time those individuals are in fact serving in the Federal prison system.

It would also be interesting to go back to the beginning of the process both at the Federal and the State levels—what kind of prosecutorial discretion is being exercised in the prosecution of these cases, what kinds of cases are Federal and State prosecutors deciding to prosecute, and what kinds of cases are they declining to prosecute.

The purpose of this effort would be to trace white-collar crime cases at the Federal and State levels, all the way through the system, starting with arrests, then through the courts and finally into the corrections system. We would trace each stage and produce data about how the cases are being handled at each stage, so as to ultimately produce policy-relevant data that can guide policymakers like yourselves in making decisions about alternative strategies in handling white-collar crime.

Mr. DWYER. Is this engendered by the general belief that white-collar crime does not suffer the severe sentencing procedures that other types of crime does?

Mr. SCHLESINGER. I think it's fair to say that there is such a general belief, and we at BJS have tried to make some initial efforts to address that question. We have a series at BJS called "offender-based transaction statistics," which follows cases and people through the criminal justice systems of a few States, and we produced an initial report on white-collar crime in those few States. This was perhaps six months ago.

The findings, I thought, were quite interesting. The report compared the processing of white-collar felons to other kinds of felons in those States. What we found was that generally speaking white-collar felons were convicted as often and had sentences which were approximately as long as the other kinds of felons, including violent felons and public order felons. The actual stay in prison, however, was shorter.

Mr. DWYER. How about the facilities that white-collar criminals are housed in?

Mr. SCHLESINGER. That study did not address the question of what facilities they were housed in.

Mr. DWYER. It is the general impression of the public that most white-collar criminals are treated like juveniles, with short sentences and early-release programs and housed in very, very, very minimum security camps and things of that nature.

Mr. SCHLESINGER. That was not a question that was addressed in that study.

Mr. DWYER. Your study will address that question?

Mr. SCHLESINGER. It certainly will. One of the data elements we would certainly pick up would be that.

Mr. DWYER. Would your study make a recommendation?

Mr. SCHLESINGER. The Bureau of Justice Statistics never makes policy recommendations. We understand ourselves to be a statistics agency, and we supply the data for the use of the policymakers.

Mr. DWYER. Would your study, do you think, indicate that the policymakers then would make a different recommendation when it came to white-collar crime?

Mr. SCHLESINGER. Could you repeat the question, please, sir? [Laughter.]

ANTI-GAY VIOLENCE

Mr. DWYER. It's actually a statement.

I had somebody come into the office from the American Psychological Association a week or two ago who was talking about your division and wanted to know why you people were not making a study of the violent treatment of homosexuals in our society at this particular time, and in fact, is this actually happening? And I couldn't answer the question because I didn't really know. But that was the question that was asked of me.

Mr. SCHLESINGER. I am not aware that——

Mr. DWYER. Well, apparently, with the frightening increase of AIDS, people now are starting to attack the homosexuals as they meet them on the street. At least, this was the claim. I don't know whether it's true or not.

Mr. SCHLESINGER. I think I may have read in the newspapers that in some cities such studies have been undertaken. I would be more than happy to meet with individuals who are interested in such studies and we can discuss the matter.

Mr. DWYER. Fine.

Mr. Smith?

NECESSITY FOR WHITE COLLAR CRIME STATISTICS

Mr. SMITH. I am not quite clear what you are going to get, that you don't already know. We already know that when they are faced with turning out one or two criminals, they try to turn out the ones least apt to commit violence again on society. There is nothing unknown about that, is there? I mean, we know why white-collar criminals tend to be released. If they have to turn somebody out of prison, they tend to keep the one that committed violence, probably a couple of times before. I mean, that is already known, isn't it? What are we going to get that we don't already know?

Mr. SCHLESINGER. I think in some jurisdictions that is undoubtedly true.

Mr. SMITH. Well, everywhere they have a shortage of jail space don't they? And there is criticism for turning out anybody that committed violence.

Mr. SCHLESINGER. Well, I do know that States and jurisdictions vary a good deal in terms of how many individuals receive early releases. I would add in general that this white-collar crime study covers a good bit more than just corrections. It would cover the treatment of white-collar felons in the entire system.

Let me add one other thing. In gathering data at the Federal and State levels, we will be asking not only the usual criminal justice agencies to provide the data, but we will be asking regulatory agencies such as the SEC and the Comptroller of the Currency and other regulatory agencies to provide this data. This would be a much wider study.

Mr. SMITH. How much would this study cost?

Mr. SCHLESINGER. The request is for $750,000, Mr. Chairman.

TERMINATION OF JUVENILE JUSTICE PROGRAMS

Mr. SMITH. You are proposing to eliminate the shelters for runaway youth, for example, as a part of the juvenile programs. Do you think that gathering statistics is more important than providing shelters for some runaway youth?

Mr. SCHLESINGER. I don't believe that I normally address budget questions of that kind if I could——

Mr. SMITH. Well, it's in your budget, you are proposing to eliminate that program but you want money to do this. Now, I mean we are dealing with alternatives, we must determine what's the most important one. You are proposing again to cut out the juvenile justice program by $67,600,000, as you have done in the past. That's where we have the runaway youth program, and where we have a number of those types of programs. We don't have enough money for that, but we're going to spend the money for this? We are dealing with alternatives. What is the most important in our society?

Mr. ABELL. Mr. Chairman, I think I should probably respond in general to that query. The research element and the statistical element that are part of our Office of Justice Programs are seen as uniquely Federal responsibilities that only the Federal Government can address itself to. The Administration has prioritized and put the Federal elements in a superior position to those which are State and local in nature, and it's seen that the Office of Juvenile Justice in that prioritization is at the bottom of the spectrum, if you will. Therefore it comes out to a prioritization issue.

Mr. SMITH. But he was talking about statistics on what State courts do. That is a State court matter. Why is it a Federal matter?

Mr. ABELL. Well, I believe it's the Federal Government that would be able to do the cross-statistics between one State and another in terms of comparing them, in terms of analyzing them. That would be appropriately a Federal function, sir.

1988 BUDGET REQUEST TO OMB

Mr. SMITH. You are proposing to cut $337 million out of the $416 million appropriation we had last year. That is almost all of it. What did you ask in your proposal to OMB, your original proposal? What did you ask?

Mr. ABELL. That would have been essentially the same, sir.

Mr. SMITH. The same as last year?

Mr. ABELL. Yes. I think there is a small cost-of-living increase that would be included in that, and of course there would be the small increases for the $2.7 million for NIJ and the $750,000 for BJS.

Mr. SMITH. So you're asking for $416 million plus a little bit?

Mr. ABELL. No. We asked—I think last year we asked for $74 million and this year we requested $78 million.

Mr. SMITH. You had $416 million in programs last year and you then asked OMB to cut it back to $78 million, is that it?

Mr. ABELL. Yes, sir.

Mr. SMITH. Well, if you're so opposed to three-fourths of the programs that you are administering, why do you want to administer them? Shouldn't somebody be in charge of a program that at least is somewhat for the program?

Mr. ABELL. Well, programs must be managed efficiently and competently and managed well, and the position of the Administration is that those programs that were mentioned—

Mr. SMITH. I wasn't talking about the Administration's position after it had been through OMB and decided. We are talking about before the Administration had made their decision on 1988. We are talking about your proposal to OMB. Your proposal to OMB was to eliminate all these programs.

Mr. ABELL. Yes, sir, that is the complete Administration position. In fact, it is the Department of Justice's position as well as the Administration's position.

Mr. SMITH. But the first proposal is yours. First, you propose in your Office of Justice Programs.

Mr. ABELL. Yes, sir.

Mr. SMITH. You set the budget level as it goes through the process. You eventually get it back and you can't do anything about the end result. But you are telling me that your original proposal in this process was to cut it clear back to $78 million.

Mr. ABELL. Yes, sir. Our budget requests have proposed the termination of these grant programs for some years, since long before I came on board.

Mr. SMITH. Yes. I know. But here you are administering a program when you're opposed to three-fourths of the programs.

Mr. ABELL. Yes, sir. We were given guidelines in terms of what the Administration and the Department are looking for, and I know that their primary concern has been one dealing with the deficit, and therefore, prioritizing within the Department of Justice what are uniquely Federal concerns.

Mr. SMITH. On the first draft, though, each part of the Department sends up what they think they would like to have, and then you get your guidelines after that. You are not told after you do the first step that you are to cut back a certain amount.

Mr. ABELL. Excuse me. We are given some initial guidelines from the Attorney General's office, in terms of, what direction the submission should take. I know that in our own case budget submissions have been proposing termination of these grant programs for five or six years. So there is certainly an indication of what would be entertained.

[The following information was submitted for the Record, subsequent to the hearing:]

Subsequent to the hearing the following information was provided:

1988 BUDGET REQUEST

The Office of Justice Programs request to Congress was $74 million in 1987 and $78 million in 1988. However, the Department's revised request to the Office of Management and Budget was $303,804,000 which includes funding for programs enacted after the requests were transmitted to OMB.

Mr. SMITH. That's all I have.

MANAGEMENT AND ADMINISTRATION DECREASE

Mr. DWYER. You recommended, I think, a decrease in management and administration of 32 positions and $972,000 resulting from your program reduction in juvenile justice and the Bureau of

Justice Assistance programs. Should the Congress decide in its wisdom to fund those programs administered by these offices, how much would be required in fiscal year 1988?

Mr. ABELL. Well, I certainly do not want to be futuristic, but if the Congress in its wisdom should decide to make the funding about or at the same level, then I would presume that the cut in management would be inappropriate.

Mr. DWYER. How many people how many people would stay in their jobs, seeing as how they don't like the programs?

Mr. ABELL. Oh, I couldn't—I don't know, sir.

Mr. DWYER. Do you have any more questions, Mr. Smith?

DEPARTMENT OF JUSTICE 1988 BUDGET PROCESS

Mr. SMITH. Who is here from the Comptroller's Office? When this process started, when did it start, a year ago now?

Mr. ROPER. The 1988 budget process, sir?

Mr. SMITH. Yes.

Mr. ROPER. Yes. In May of last year.

Mr. SMITH. About May. What is the very first step?

Mr. ROPER. The very first step that we go through in the Department, sir, is the issuance of the spring planning call, which requests organizations to submit their estimates for the budget year. Along with that—it tends to follow slightly later—is a set of Attorney General Policy and Program guidelines.

Mr. SMITH. How definitive are those guidelines?

Mr. ROPER. They tend to be—the ones last year are more general as opposed to definitive.

Mr. SMITH. Well, in this case, what would they say to it?

Mr. ROPER. Sir, off the top of my head, I cannot recall exactly what they said.

Mr. SMITH. Did they say leave out three-fourths of the budget?

Mr. ROPER. I don't believe there was a direct statement to that effect.

Mr. SMITH. Well, do you know whether or not the guidelines were specific enough that you expected them to leave out all these programs?

Mr. ROPER. I believe as Mr. Abell testified, that the general thrust of this Administration is that there is a higher priority on the Federal mission and related programs in the Department than there is towards State and local assistance grant programs.

Mr. SMITH. Well, is that instruction in writing? Those guidelines, were they in writing?

Mr. ROPER. Again, without looking at them, I cannot recall that there was exact language on that. I would like to look at them.

Mr. SMITH. Are they in writing? Do you have a copy of that? You don't have it with you?

Mr. ABELL. No, sir.

Mr. SMITH. We would like to look at those to see what the process is down there. It's a little different than it is in some of the Departments, apparently, to set out guidelines at the very initial stage.

Mr. ABELL. Yes. I don't myself recall the specifics of the guidelines.

[The information follows:]

Subsequent to the hearing the following information was provided:

SPRING PLANNING ESTIMATES

In about May of last year, we received spring planning estimates in response to a spring planning call issued in April.

Also, we have provided the attached Attorney General's Guidance for the 1988 Project Budget Estimates.

Office of the Attorney General
Washington, D. C. 20530

May 9, 1986

MEMORANDUM

TO: HEADS OF DEPARTMENT COMPONENTS

FROM: EDWIN MEESE III
Attorney General

SUBJECT: Guidance for FY 1988 Project Budget Estimates

As difficult as it may be in the light of recent events, it is time now to begin formulating your budget estimates for Fiscal 1988. This memorandum provides guidance for your resource requests by informing you of my priorities for the future.

The fiscal picture for FY 1988 is cloudy at best. The District Court's decision that the Gramm-Rudman-Hollings automatic deficit reduction process is unconstitutional is the position we argued to that court and again to the Supreme Court. It is, however, not yet the final decision on that Act. Nor does it strike the Act's alternate deficit reduction process pursuant to which the report prepared by the Directors of the Office of Management and Budget and the Congressional Budget Office is submitted to a special joint committee of the Congress, which must report to both Houses a joint resolution setting forth the contents of the Directors' report. If the joint resolution is passed and signed by the President, it then serves as the basis for the presidential sequestration order. Therefore, the Gramm-Rudman-Hollings process may yet survive to guide us to budgets calculated to eliminate the federal deficit by Fiscal 1991.

In any event, whether via Gramm-Rudman-Hollings or some other process, all of you must remain as committed as I am to supporting the President's pledge to reduce the federal deficit. We must look closely at all of our operations with a view toward facilitating the transition to lower levels of resource increases for Fiscal 1988 and beyond.

Having said all of this, I remind you that I continue to adhere to the following priorities as basic to our mission in this Department and that I will fight for the resources required to implement them:

- Support for the Administration's national security and law enforcement initiatives in the area of foreign counterintelligence and combatting international and domestic terrorism.

- o Vigorous investigation and prosecution of those engaged in narcotics and dangerous drug trafficking and organized criminal activities, including the corruption of public officials, infiltration and control of legitimate businesses, money laundering, "white collar" crime, and the forfeiture of assets acquired through illegal activities.

- o Affirmative litigation to enforce the tax laws, protect our environment, and collect the money owed the U.S. as well as litigation essential to defend the Administration's policies and programs and to protect the federal treasury against inflated and unwarranted claims.

- o Providing the needed prison space to house the growing number of prisoners sentenced to federal institutions as a result of our investigative and prosecutive efforts.

In addition, I believe that adequate resources must be available for the wide variety of our other activities which support these specific priorities. I will continue, for example, to seek the funds required to support the important functions of the Marshals Service which are essential to the federal justice system. So, too, must we have resources to control our country's borders by enforcing present immigration laws while simultaneously seeking comprehensive immigration reform legislation.

Finally, I charge each of you to become creative managers--to ensure that all of your line, staff, and support operations are as efficient and productive as possible. Each of you should review your organization to identify areas where you can restructure your activities to better carry out your mission. I include in this a review of your field structure and privatization initiatives where benefits outweigh costs. Look at your organization and ask yourself whether or not you have the best organizational structure to accomplish what has been requested of you and the priorities and objectives I have outlined. Excessive management layering, administrative overhead and labor intensive practices must be reduced wherever possible. I want you to consider aggressive restructuring, especially of marginally productive offices and programs, to improve, consolidate, or abolish such offices and programs if necessary. I believe such restructuring will permit us to use already scarce resources in more productive ways.

It is my intention to curtail or eliminate programs of marginal value and to permit only limited real growth for well justified initiatives. I have directed the Deputy Attorney General and the other members of the Department Resources Board to operate under these guidelines in making their recommendations to me on our final Department budget request for FY 1988.

Mr. DWYER. That is all we have. We have some questions that we will give you and ask that you submit your answers for the record. Thank you.

Mr. ABELL. Thank you.

[The questions for the record and the answers submitted thereto, follow:]

QUESTIONS FROM MR. DWYER

Office of Justice Programs

National Institute of Justice

Question:

You request an increase of $2,700,000 for the National Institute of Justice in 1988. Would you briefly discuss the initiatives to be funded with this request?

Answer:

The Anti-Drug Abuse Act of 1986 appropriated funds for grants to States and communities to help them combat illegal drugs through detection, apprehension, and prosecution programs.

The Act did not, however, authorize or provide funds for research into controlling the supply of and demand for illegal drugs. The National Institute of Justice (NIJ) has funded a modest alcohol and drug research effort for several years and has funded drug-related grants in a number of our other research programs. We are requesting an additional $2.7 million in response to the urgency of the drug crisis.

The $2.7 million would fund three initiatives. First, $1,350,000 would be spent in 1988 to add 15 cities to the Drug Use Forecasting (DUF) system being pilot tested in 10 cities in 1987. Previous research has established that the type and extent of drug use varies by geographic region, which has implications for law enforcement and treatment activities in each region. DUF tests the urine of randomly selected arrestees for illicit drugs. Findings from the testing would, for the first time establish a local and regional drug use index; give judges information about the extent of arrestees' drug use to help in assessing the arrestees' danger to the community if released on bail; and allow quick notice of changes in regional drug use to be given to law enforcement, treatment facilities, and the Drug Enforcement Administration.

Second, $600,000 would be used to replicate a previous NIJ study which suggested that targeted enforcement against street dealers might have a deterrent effect as well as disrupt street information on where to make buys. The replication would be undertaken in eight cities, permitting variation in city size, targeting strategy, and the intensity and duration of enforcement. The funds requested by NIJ will be used to implement and then evaluate how street dealer crackdowns can be undertaken most effectively.

Finally, $750,000 would fund a public service announcement drug prevention campaign directed toward children and teenagers, groups particularly vulnerable to drug use. These announcements would be

developed by professional advertising personnel and would follow NIJ's recent successful "Report, Identify, Testify" crime campaign.

Question:

Will any studies or research programs be concluded in 1987? If so, what results do you anticipate?

Answer:

Yes, a number of studies will be completed this year. We anticipate funding subsequent grants in each research program to build on the findings from grants completed this year. These studies fall within the broad range of criminal justice areas that are part of the Institute's mandate. In all instances, the Institute emphasizes policy relevant research that assists State and local agencies to prevent and reduce crime. Major program areas under which studies completed in 1987 were funded include, but are not limited to: drugs and crime, drugs and criminal careers, family violence, sentencing, prison and jail crowding, court delay, less-than-lethal weapons, victims, and organized crime.

Representative examples of the types of studies and their intended use follow:

- The study on Drug Use and Pretrial Criminality involved screening arrestees through urinalysis for drug use, and placing identified users in a continuing testing program to monitor abstinence during pretrial release. Pretrial criminal behavior of drug users versus non-users was compared. The study results will be used to inform pretrial release on recognizance and bail decisions. Among the other research projects on drugs that will be concluded are: Drug Use as a Predictor of Behavior on Probation; Retail Level Heroin Enforcement and Street Crime; Drugs and Youth Violence; High Level Drug Markets; and Crime Reduction Cost Benefits of Drug Abuse Treatment.

- In 1987, NIJ funded a national conference jointly sponsored by the National Academy of Sciences to communicate to criminal justice policymakers and practitioners the results of the body of research on criminal careers, emphasizing the prediction of long-term careers of serious and frequent offenders. Several studies to be completed in 1987 have also investigated models for predicting future criminality based on individual histories of crime and delinquency. Previous research had relied on self reports of criminality to identify a number of factors associated with persistently high rates of serious offending. Building on this, the newer work has examined the power or limits of prediction devices based on information contained in official records -- the kind that typically would be available in case disposition decisions.

- Two studies involved intensive supervision of high risk probationers and parolees. A related effort was a feasibility

dy examining the use of "electronic bracelets" to monitor an offender on house arrest. These study results will be used to shape policy on controlling offenders in the community as an alternative to incarceration.

- Two studies have examined the impact on sexually abused children of testifying in criminal court against their abusers. Preliminary findings suggest that changes are needed in court policy with regard to granting continuances in these kinds of cases. A related study comparing the sentences of offenders who commit sexual crimes against children to similar offenses against adults indicates that offenses against children result in lighter sentences. These findings will inform sentencing policy in child sexual abuse cases nationwide.

- A study on Problem-Oriented Policing examined community involvement in law enforcement's approach to solving neighborhood crime problems. The police department developed bonds with local residents, organizations, businesses, and other local public agencies to identify the crime problem, gather information about it and cooperate to solve it. Specific burglary and robbery problems were dramatically reduced using these techniques.

- An Eight-Year Follow Up of Formerly Incarcerated Violent Juveniles collected extensive information on 119 former delinquents incarcerated in 1977. The study results will show the contribution of psychiatric, neurological, social, and educational factors in the etiology of violent crime.

- A study was conducted to evaluate three projects using pro bono, or pro tempore judges, two at the trial level, and one at the appellate level. The positive results of these programs suggest that pro bono/pro tempore judges can be efficient and effective in reducing case backlog.

- The Forensic Studies Program will have completed studies on the validity of polygraph examinations in criminal investigations, the development of a data base for use in identification of skeletal remains, and the analysis of genetic markers in human semen which will aid in collecting evidence in sexual assault cases.

- The Technology Assessment Program develops standards for law enforcement equipment such as bulletproof vests, and tests the equipment of various manufacturers against those standards. Fifteen documents will be published under this program in FY 1987. Examples include a standard on Courtroom Reel-to-Reel Audio Tape Recorders; an evaluation of electronic-monitoring devices; a report on police vehicles, and a standard on 12 Gauge Shotguns For Police Use.

Further details and/or publications from the Institute's completed studies are available upon request. The National Institute is also currently preparing a report on its 1986 research results. This report will be available in April, 1987.

Question:

Since you are constantly beginning and ending studies and research initiatives at the Institute every year, why do you require this $2.7 million increase? Can't this increase be offset by the cost reductions associated with studies and initiatives being transmitted in 1987?

Answer:

The Institute's authorizing statute, the Justice Assistance Act of 1984, requires not only that it fund research studies but that it also play a major role in the development and dissemination of improved criminal justice practices for use by State and local governments. Approximately 40 percent of the Institute's budget is devoted to these core functions which include:

- The National Criminal Justice Reference Service, a national and international clearinghouse for the dissemination of information on crime and criminal justice;
- The Technology Assessment Program which, in conjunction with the National Bureau of Standards, tests and develops standards for criminal justice equipment;
- The Research Assessment Program which surveys practitioners to determine which crime and criminal justice issues are of critical concern to practitioners and develops information packages in responses to these concerns; and
- The Research Utilization Program which supports training and education of State and local practitioners on new crime prevention, enforcement and other practices and programs discovered through research.

These programs are ongoing and are operated under contract by the Institute.

An additional ten percent of the Institute's budget is allocated to technical assistance, peer review, printing and publications, and other functions necessary to fulfilling the Institute's mission.

The remainder of the Institute's budget must be spread across the full range of crime and criminal justice problems of concern to State and local practitioners and critical to the Nation's understanding of and ability to deal with crime and its consequences. These span the range from prevention, through law enforcement, adjudication, corrections, private security, victims, violent offenders, and, of course, drug abuse. Very few of the issues addressed by the Institute are resolved by a single 18-month study. Many, such as classification and prediction of offender behavior, may even require multiple awards for five to ten years before any conclusive evidence is available. We have provided copies of selected Research Briefs

published by NIJ as an indication of the range of criminal justice issues addressed by our research efforts.

While adhering to the Congress' direction to maintain a balanced program of basic and applied research in a number of areas, the Institute has, over the last two years, substantially increased the amount available for studies to control drug abuse. In 1987 and 1988 an estimated $5.5 million, or 30 percent of our base budget, will be allocated to drug control research, development and dissemination.

To comply with its legislative mandate for a balanced and responsive research, development and dissemination program, as well as to undertake new, vitally needed research into illegal drug use requires additional resources.

The National Institute of Justice has not requested a budget increase in the last seven years. Cost cutting measures and productivity improvements have been initiated in a number of programs to allow for continued progress on research problems such as career criminals, problem-oriented policing, jail and prison crowding, spouse assault, etc. New initiatives such as those requested for FY 1988, which have the potential for significant advances in a short period of time, must be supported by additional funds if any immediate impact is to be achieved.

Bureau of Justice Statistics

Question:

Are there no lower priority statistics programs that could be eliminated in order to offset the additional costs of this new initiative.

Answer:

Although BJS is one of the two smallest Federal statistical agencies, our mandate covers the entire spectrum of Federal, State and local criminal activities which are of vital concern to all sectors of the American public. Accordingly, our funds are currently targeted at only those uses which have high priority among legislators, academic scholars, criminal justice practitioners, and the general public. Elimination of any existing program would, therefore, create data voids in priority areas which are currently being addressed. Additionally, in light of the extensive start-up costs associated with data series, elimination of existing programs would not be fiscally justifiable or efficient.

Specifically, BJS supports, collects and analyses data from thirteen major statistical series. In 1986 these series required the expenditure of approximately two-thirds of the BJS authorized appropriation (the National Crime Survey alone required approximately 36%). Additionally, funds are required each year for the regular evaluation of these series to determine their statistical validity and the need for any necessary system modifications. On the basis of

an indepth program analysis, it was also determined in 1986 that statistics describing the operation of State courts and the management of law enforcement activities were inadequate. The improvement of these programs is expected to require an estimated additional 5% of the BJS appropriation in 1987 and beyond. Approximately 13% of the BJS budget is also used to provide financial and technical assistance to the States for the establishment and maintenance of a criminal justice statistical capability as specifically required by statute.

The limited remaining funds are required to support, for example, the Federal statistics series, programs to insure data quality, recidivism studies, preparation of the Report to the Nation on Crime and Justice, comparative international criminal statistics, and prosecution and public defenders series.

The white collar crime initiative is a direct response to the public's need for information on this important issue. There are no discretionary funds that can be targeted to this program issue without the elimination of other priority programs currently being addressed. Additional funding will be required if any immediate impact is to be achieved in this important area.

Elimination of State and Local Assistance

Question:

Can you assure the Committee that, if these very important programs are not federally funded, they will not just cease to exist?

Answer:

No, we cannot assure the Committee that these programs will not cease to exist. However, the three years of funding which have been provided by this program have given the States and localities ample opportunity to find out if the projects they have funded with Federal funds have been successful and to determine which projects should be continued with State and local resources. Since Federal funds are limited, the administration must first utilize available funds to meet the requirements of the Federal Justice system. There simply are insufficient Federal funds to meet the needs of Federal, State and local criminal justice programs. This requires that State and local assistance programs, formerly funded by the Federal Government, must now be funded by the State or local jurisdiction.

Juvenile Justice Programs

Question:

Another program that you again propose to terminate is the Juvenile Justice Program, which you state has successfully met its objectives and is no longer required. Can you briefly state what the various objectives of the program were and how you have accomplished them?

Answer:

Through the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, Congress gave the Office of Juvenile Justice and Delinquency Prevention (OJJDP) a mandate to assist the States in three specific areas: (1) deinstitutionalizing status offenders (those juveniles whose offenses would not be offenses were they adults), diverting them from the judicial system and out of secure detention facilities and into community-based, non-judicial settings; (2) separating delinquent juveniles from institutions in which they have regular contact with adults; and (3) removing juveniles from adult jails or lockups.

The most current data that we have indicates that 47 States and territories are in full compliance with deinstitutionalization; 41 of the 52 participating jurisdictions have demonstrated compliance with the separation requirement and seven additional States have been found to be making progress toward achieving compliance. Finally, the deadline for States to be in substantial compliance (75 percent) with the Congressional jail removal mandate was December 1985. States must be in full compliance with regard to jail removal by December 1988. The 1986 monitoring compliance reports, the first time that the States have been required to submit compliance figures regarding jail removal, were due in December 1986. They are currently under review.

Question:

Can you assure the Committee that no new juvenile justice problems or initiatives have arisen which would warrant the attention of this program?

Answer:

No, we cannot assure the Committee that no new juvenile justice problems or initiatives have arisen which would warrant the attention of this program, however, we believe that these problems and/or initiatives should now be funded with State and local resources.

Question:

How can you be sure that the states will continue their individual programs without Federal funds?

Answer:

The Federal Government has provided about a billion dollars during the past 13 years and as previously stated, the major thrusts of the Act have been, to a great extent, achieved. We believe that the States that now participate in the OJJDP program will continue their commitment to the deinstitutionalization, separation, and removal mandates even without the relatively small amount of Federal funding provided for these purposes. In fact, since the funds OJJDP provides to States are insufficient to cover the full cost of deinstitu-

tionalization, separation, and removal, States participating in the program already have shown their commitment to the goals of the Act and to a large extent have supported compliance with State and local funds. It is now time to return responsibility for full funding of this program to the States and localities which receive its benefits and who are paying most of the cost of the Act's mandates. The States can then decide how best to comply with the mandates without Federal interference.

Mariel Cubans

Question:

Your budget request also proposes to eliminate the funds to reimburse states for a portion of the costs of incarcerating Mariel Cubans who have been convicted of felonies under state law. How many of these prisoners are incarcerated at the present time in state institutions?

Answer:

Following is a chart for 1987 which reflects the number of Mariel Cuban inmates incarcerated in each State. The numbers, which were submitted by the States, are now being verified by the Immigration and Naturalization Service and the Bureau of Justice Assistance. Awards will be made by April 1, 1987, based on the verified number of inmates incarcerated in State facilities.

State	Number of Inmates (Reported by States)
Alaska	3
Arkansas	20
California	5
Colorado	4
Connecticut	18
Florida	889
Georgia	44
Idaho	2
Illinois	140
Iowa	6
Kansas	10
Kentucky	2
Louisiana	11
Maryland	17
Michigan	60
Minnesota	14
Nebraska	3
Nevada	42
New Jersey	210
New Mexico	7
New York	469
Ohio	11
Oklahoma	10
Oregon	4

Pennsylvania	37
Rhode Island	17
South Carolina	10
Tennessee	1
Texas	178
Utah	5
Virginia	12
Washington	35
Wisconsin	120
TOTAL	2,416

Question:

Since the Federal Government permitted these persons to enter the United States initially, shouldn't the Government help fund at least a portion of the cost of incarcerating them in State prisons when they have been convicted of serious crimes?

Answer:

The Department of Justice believes that anyone, including Mariel Cubans, who is convicted of a State crime and sentenced to prison, is the responsibility of the State where the crime was committed. In addition to Mariel Cubans, there are other groups of immigrants in this country who commit crimes at the State and local level for which the Federal Government does not assume fiscal responsibility. It is State and county responsibility to define violation of State and county law, to prosecute individuals who are accused of violating these laws, and to incarcerate those individuals who are convicted. While the Federal Government is responsible for enforcing immigration laws, it is not responsible for incarcerating those individuals who violate State or county laws.

Regional Information Sharing System

Question:

Assuming Congress determines that this program should be continued, how much would be required in 1988?

Answer:

The Department believes that since Federal funds are limited, RISS projects should be supported by the States and localities receiving the RISS services. In 1987, the Federal Government will provide $12 million to the States for the RISS projects ($9,900,000 appropriated in 1987 and $2,100,000 in carry-over funds). If the Congress intends to continue funding these projects, we suggest that the funding be at a decreasing rate so as to encourage the projects to obtain a greater share of their support from the recipients of the services. Currently, these projects only receive from five to ten percent of their funds from other-than-Federal sources.

Anti-Drug Abuse Program

Question:

Congress provided $225,000,000 to the Justice Department for a formula grant program to provide assistance to State and local governments for enforcement of drug laws. Would you briefly describe how you have implemented the program, how many States are participating and how much you plan to obligate by September 30, 1987?

Answer:

Of the total appropriated, $2,000,000 was targeted for a pilot prison capacity program, $178,400,000 was set aside for the formula grant program, and $44,600,000 was provided for discretionary grants. The Bureau of Justice Assistance (BJA) has moved swiftly to implement this program while being careful to obtain the maximum amount of input from Federal, State, and local agencies. The Anti-Drug Abuse Act was enacted on October 27, 1986. BJA sent letters to all governors or chief executives by November 7, notifying them of the new assistance program and requesting that they designate a State agency to administer the program. Each State had designated an office by February 27, 1987, even though many States were delayed in doing so due to changes in governors. In December, draft formula grant guidelines were sent for comment to all State chief executives, U.S. Attorneys, State offices administering BJA grant programs, and interested private groups. BJA is currently reviewing those comments before issuing final guidelines. Three regional workshops are being held in March 1987 both to help the States to design their drug law enforcement strategies and to administer the program effectively. Each State is required to submit to BJA the statewide strategy prior to receipt of its total formula grant award.

Ten percent of the formula grant may be used by a State to administer the program. In order to assist the States in preparing the drug strategy and in setting up the necessary administrative procedures, OJP permitted the States to apply in advance for an award of their administrative funds. To date, 32 States have received an award of their administrative funds. After the regional workshops have been held, BJA expects to receive statewide strategies and applications for full formula grant funds. Once the application is received, BJA will complete the review process and award the grant within 60 days. The first full formula grants will probably be awarded in May. To date, no applications for full funding have been received. Because each State and territory has designated an office to administer the program, they all are expected to participate. A chart representing each State's formula grant allocation is provided.

The discretionary grant program is being designed to enhance State and local efforts in drug control through national and multi-State programs. To help establish priorities for the discretionary program, BJA enlisted recommendations from more than 800 agencies, including national criminal justice associations, State and local

criminal justice agencies, and Law Enforcement Coordinating Committees. Other Federal agencies were also contacted to avoid duplication of effort and to identify drug programs likely to be successful. The program announcement identifying priorities and requesting proposals was published in the Federal Register on March 19. Applications for these funds should be received by June and grants may be awarded as early as June or July. All of the State and local drug law enforcement assistance funds, including the Prison Capacity Program, are committed to the States. However, it is possible that not all States will have their State strategies completed and applications filed by September 30,1987. Therefore, a portion of this money may not be obligated until 1988. It is too early in the process to determine exactly how many States will receive their awards in 1987, but we expect that the majority, if not all, of the funds will be awarded this year.

OFFICE OF JUSTICE PROGRAMS

Distribution of Anti-Drug Abuse Formula Grants by State - FY 1987*

State	Amount	State	Amount
Alabama	$2,996,000	Nevada	$1,081,000
Alaska	823,000	New Hampshire	1,119,000
Arizona	2,478,000	New Jersey	5,194,000
Arkansas	1,964,000	New Mexico	1,400,000
California	16,866,000	New York	11,539,000
Colorado	2,506,000	North Carolina	4,383,000
Connecticut	2,470,000	North Dakota	925,000
Delaware	886,000	Ohio	7,169,000
Florida	7,555,000	Oklahoma	2,549,000
Georgia	4,210,000	Oregon	2,168,000
Hawaii	1,154,000	Pennsylvania	7,858,000
Idaho	1,124,000	Rhode Island	1,101,000
Illinois	7,660,000	South Carolina	2,578,000
Indiana	3,913,000	South Dakota	939,000
Iowa	2,290,000	Tennessee	3,456,000
Kansas	2,021,000	Texas	10,662,000
Kentucky	2,813,000	Utah	1,521,000
Louisiana	3,282,000	Vermont	832,000
Maine	1,222,000	Virginia	4,042,000
Maryland	3,226,000	Washington	3,237,000
Massachusetts	4,114,000	West Virginia	1,702,000
Michigan	6,141,000	Wisconsin	3,464,000
Minnesota	3,103,000	Wyoming	816,000
Mississippi	2,122,000	American Samoa	522,000
Missouri	3,622,000	Dist of Columbia	889,000
Montana	1,013,000	Guam	574,000
Nebraska	1,497,000	Puerto Rico	2,530,000
		Virgin Islands	567,000
		N. Mariana Islands	512,000
		Total	178,400,000

Note: State population figures are based on Bureau of Census Provisional Estimates as of July 1, 1985 except for the territories which are based on 1980 Census.

*As of February 9, 1987.

Question:

Why have you decided not to request funds for this program in 1988?

Answer:

Available resources in 1988 must first be utilized to address new requirements at the Federal level in the Department. The Anti-Drug Abuse program funds made available in 1987 will give the States and localities an opportunity to start new programs and expand their efforts to enforce State and local drug laws.

Management and Administration

Question:

You are recommending a decrease in Management and Administration of 32 positions and $972,000 resulting from your program reductions in Juvenile Justice and Bureau of Justice Assistance programs. Should the Congress decide to fund the programs administered by these offices, how much would be required in 1988? Please provide the breakout for each office for each program you recommended for termination.

Answer:

If Congress decides to fund the Juvenile Justice and Bureau of Justice Assistance programs, full restoration of $972,000 and 32 positions would be required. The Office of Juvenile Justice and Delinquency Prevention would require an increase of 22 positions and $550,000 and the Bureau of Justice Assistance would require an increase of $422,000 and 10 positions to administer these programs.

Crime Victims Fund

Question:

The Department again recommends lowering the obligation limitation for the Crime Victims Fund from $110,000,000 down to $35,000,000. Your rationale for this action is to help reduce the deficit. In reality, is it not true that this lower limitation will only reduce the deficit if authorizing legislation is passed lowering the limitation? Do you foresee this as a reasonable possibility?

Answer:

The deficit is measured by outlays. An obligation limitation will reduce outlays and thus reduce the deficit. Collections in excess of an obligation limitation up to the legislative ceiling will remain in the fund until legislation is passed to reduce the ceiling. When the ceiling is reduced, the excess funds will go into miscellaneous receipts and will be used to reduce the deficit even further. We cannot comment on whether or not Congress will concur with the Administration's request to lower the legislative ceiling.

Question:

Can you provide the Committee with an idea of how this program has been received by the States and whether the States are contributing funds also?

Answer:

The State grant programs authorized by the Victims of Crime Act have been received extremely well. In 1986, 37 of the 38 eligible States applied for victim compensation grant funding and 55 of the 56 eligible States and territories applied for victim assistance grant funding. For 1987, it is expected that three or four additional States will qualify and apply for victim compensation funding and that all 56 States and territories will apply for their victim assistance funding.

Significant contributions of funds and resources are made by the States. Since the Victims of Crime Act does not authorize the States to utilize Federal funds for grant administration purposes, the total cost of administering both the Victim Compensation and Assistance programs is borne solely by the State agency receiving the funds. Implementing and monitoring the necessary subgrant process that channels the Federal funds to the many local community-based victim assistance programs has required a considerable investment of State resources for administrative purposes.

The Federal victim compensation grants provide a State up to 35 percent of the previous year's payment of State funds to qualifying crime victims. This formula no doubt has served as an incentive, but many States have actually put increases into effect that exceed the minimum Victims of Crime Act eligibility requirements. For example, in 1985, the total qualifying victim compensation payments submitted by the States was $80,845,593. This was a significant increase over the 1984 victim compensation payments of $67,504,484. In order to qualify for a second-year Federal grant, many State compensation programs have expanded their eligibility criteria. Therefore, more crime victims are eligible for State victim compensation benefits and individual victim reimbursements are higher.

State revenue is also being committed to victim assistance programs. Before enactment of the Victims of Crime Act, most States were providing State funding to the specific areas of spouse and child abuse with about two-thirds of the States providing support for rape crisis programs. Since enactment, more States are making a commitment of their funds to general victimization needs. While it is impossible to determine the exact amount of State and local contributions, it is clear that the Victims of Crime Act and State victims assistance funding has combined to significantly increase services available from existing programs, and often expanded victim services into previously unserved geographic areas.

We are encouraged that several States have or are contemplating adopting laws like the Victims of Crime Act which will provide fines and fees to pay for victims services.

QUESTIONS FROM MR. REGULA

Judicial Training

Question:

Can you tell me how much money from 1987 appropriations is going to be available for judicial training? How much money was made available from 1986 and 1985 appropriations for such training? To what extent are funds going to be made available for training by the National College of Juvenile and Family Court Law of the National Council of Juvenile and Family Court Judges? Please be specific.

Answer:

In 1987, there is approximately $900,000 available for the National Council of Juvenile and Family Court Judges (NCJFCJ) training grant.

In 1986, NCJFCJ received $770,725 and in 1985 $935,622.

Question:

Please provide a description of the amount of funds made available for training by the National College of Juvenile and Family Court Judges on annual basis for the past five years with specific regard to the annual grants provided to the National Council for its training program.

Answer:

For the past five years NCJFCJ received the following grants:

1986	$770,725
1985	935,622
1984	875,000
1983	794,889
1982	299,710

Question:

For 1987, do you intend to reduce from the 1986 level the annual grant to the National Council for training by the National College of Juvenile and Family Court Judges?

Answer:

No, we do not. In 1987, approximately $900,000 is set aside for NCJFCJ.

Mr. DWYER. The committee will stand adjourned until 2:00 p.m., this afternoon.

THURSDAY, MARCH 5, 1987.

DEPARTMENT OF JUSTICE

WITNESSES

ARNOLD I. BURNS, DEPUTY ATTORNEY GENERAL
ALAN C. NELSON, COMMISSIONER, IMMIGRATION AND NATURALIZATION SERVICE
THOMAS J. STANTON, DIRECTOR AND COUNSEL, U.S. TRUSTEES
HARRY H. FLICKINGER, ACTING ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION
ROBERT N. FORD, COMPTROLLER
MICHAEL J. ROPER, DEPUTY COMPTROLLER FOR BUDGET

BUDGET JUSTIFICATIONS

Mr. SMITH. Next, we will consider the fiscal year 1987 supplemental for the Department of Justice. Testifying on behalf of the Department is Deputy Attorney General Arnold I. Burns.

[The supplemental justifications follow:]

DEPARTMENT OF JUSTICE
1987 SUPPLEMENTAL REQUESTS
(DOLLARS IN THOUSANDS)

APPROPRIATION	1987 ENACTED			PAY RAISE	FERS	REQUESTED PROGRAM SUPPLEMENTAL			PROPOSED RESCISSION			1987 REVISED REQUEST		
	POS.	FTE	AMOUNT	AMOUNT	AMOUNT	POS.	FTE	AMOUNT	POS.	FTE	AMOUNT	POS.	FTE	AMOUNT
GENERAL ADMINISTRATION	1,011	1,122	67,000	575	778	250	80	11,212	..	..	...	1,261	1,202	79,565
WORKING CAPITAL FUND	...	438	...			...	29 a	...	..	..	...	0	467	0
U.S. PAROLE COMMISSION	179	179	10,300	84	155	...	(3)a	...	..	..	...	179	176	10,539
GENERAL LEGAL ACTIVITIES														
SOLICITOR GENERAL	49	54	5,756	35	38	...	...	32	..	..	...	49	54	3,861
TAX DIVISION	639	643	33,456	226	412	...	...	295	..	..	...	639	643	34,389
CRIMINAL DIVISION	769	724	44,993	429	520	...	...	1,479	..	..	...	769	724	47,421
CIVIL DIVISION	868	882	73,751	504	611	...	8	1,997	..	..	...	868	890	76,863
LAND AND NATURAL RESOURCES	349	422	23,195	195	302	...	45 a	217	..	..	...	349	467	23,909
OFFICE OF LEGAL COUNSEL	35	39	2,255	19	24	4	1	147	..	..	...	39	40	2,445
CIVIL RIGHTS DIVISION	404	430	23,002	216	281	...	...	237	..	..	...	404	430	23,736
INTERPOL - USNCB	44	44	2,989	22	25	...	...	23	..	..	...	44	44	3,059
INDEPENDENT COUNSEL	...	...	...	...	...	...	...	2,000	..	..	...	0	0	2,000
LEGAL ACTIVITIES OFFICE AUTOMATION	...	...	1,537	...	...	...	...	...	..	..	...	0	0	1,537
SPECIAL COUNSEL	...	...	...	...	...	30	13	1,359	..	..	...	30	13	1,359
TOTAL, GENERAL LEGAL ACTIVITIES	3,157	3,238	208,934	1,646	2,213	34	67	7,786	0	0	0	3,191	3,305	220,579
ANTITRUST DIVISION	649	631	43,000	315	430	...	...	299	..	..	...	649	631	44,044
FOREIGN CLAIMS SETTLEMENT COMMISSION	9	9	564	3	4	...	...	...	..	..	...	9	9	571
U.S. ATTORNEYS	5,958	5,858	351,000	2,818	3,510	...	...	887	..	..	...	5,958	5,858	358,215
U.S. MARSHALS	2,724	2,848	159,000	2,234	3,211	...	...	405	..	..	...	2,724	2,848	164,850
SUPPORT OF U.S. PRISONERS	...	...	60,000	...	...	...	...	9,630	..	..	...	0	0	69,630
FEES & EXPENSES OF WITNESSES	...	...	52,187	...	...	...	...	...	..	..	...	0	0	52,187
COMMUNITY RELATIONS SERVICE	118	115	29,637	64	85	...	...	41	..	..	...	118	115	29,827
U.S. TRUSTEE SYSTEM FUND	193	181	11,500	93	150	361	102	16,436	..	..	...	554	283	28,179
FEDERAL BUREAU OF INVESTIGATION	22,456	22,385	1,262,000	9,309	23,005	...	835 a	9,675	..	..	...	22,456	23,220	1,303,989
DRUG ENFORCEMENT ADMINISTRATION	5,680	5,174	479,500	2,593	7,324	...	25 a	776	..	..	...	5,680	5,199	490,193
IMMIGRATION & NATURALIZATION	11,694	11,762	593,000	5,588	10,186	4,316	2,295	147,793	(557)	(437)	(24,598)	15,453	13,620	731,969
FEDERAL PRISON SYSTEM														
SALARIES & EXPENSES	11,257	11,042	626,807	3,932	17,053	...	...	548	..	..	...	11,257	11,042	648,340
NATIONAL INSTITUTE OF CORRECTIONS	41	41	9,000	20	129	...	...	15	..	..	...	41	41	9,164
BUILDINGS & FACILITIES	84	71	219,011	30	208	...	...	...	..	..	...	84	71	219,249
FEDERAL PRISON INDUSTRIES	...	957	...	...	...	...	...	...	..	..	...	0	957	0
COMMISARY FUNDS	...	88	...	...	...	...	...	...	..	..	...	0	88	0
TOTAL, FEDERAL PRISON SYSTEM	11,382	12,199	854,818	3,982	17,390	...	...	563	0	0	0	11,382	12,199	876,753
OFFICE OF JUSTICE PROGRAMS	323	331	415,650	172	210	...	...	27	..	..	...	323	331	416,059
SUB-TOTAL: DIRECT AUTHORITY	65,533	66,470	4,598,090	29,476	68,651	4,961	3,430	205,530	(557)	(437)	(24,598)	69,937	69,463	4,877,149
ASSET FORFEITURE FUND	...	...	112,000	...	...	...	...	...	..	..	...	0	0	112,000
IMMIGRATION LEGALIZATION	...	...	...	...	...	...	...	70,389 b	..	..	...	0	0	70,389
IMMIGRATION USER FEE	...	...	...	...	...	...	...	148,540 b	..	..	...	0	0	148,540
CRIME VICTIMS FUND	...	...	62,506	...	...	...	...	...	..	..	...	0	0	62,506
TOTAL: NEW AUTHORITY	65,533	66,470	4,772,596	29,476	68,651	4,961	3,430	424,459	(557)	(437)	(24,598)	69,937	69,463	5,270,584

a- Reflects workyear adjustments made for a variety of technical and administrative reasons, mostly changes in reimbursements.

b- Reflects anticipated increases in the newly enacted immigration special funds.

04-Feb-87

DEPARTMENT OF JUSTICE

Increased Pay Cost for FY 1987

General Administration: "Salaries and expenses", $575,000;
United States Parole Commission: "Salaries and expenses", $84,000;
Legal activities:
"Salaries and expenses, general legal activities", $1,646,000;
"Salaries and expenses, Antitrust Division", $315,000;
"Salaries and expenses, Foreign Claims Settlement Commission", $3,000;
"Salaries and expenses, United States Attorneys", $2,818,000;
"Salaries and expenses, Oversight of Bankruptcy Cases",$93,000;
"Salaries and expenses, United States Marshals Service", $2,234,000;
"Salaries and expenses, Community Relations Service", $64,000; of which not to exceed $16,000 for the Cuban Haitian entrant program shall remain available until expended;*
Federal Bureau of Investigation: "Salaries and expenses", $9,309,000;
Drug Enforcement Administration: "Salaries and expenses", $2,593,000;
Immigration and Naturalization Service: "Salaries and expenses", $5,588,000;
Federal Prison System: "Salaries and expenses", $3,932,000;
"National Institute of Corrections", $20,000;
"Buildings and Facilities", $30,000;
"Limitation on administrative and vocational training expenses, Federal Prison Industries, Incorporated" (increase of $27,000 in the limitation on Administrative expenses, and $106,000 on Vocational Training expenses);
Office of Justice Programs: "Salaries and expenses", $172,000.

* The language regarding the Cuban Haitian program was inadvertantly omitted from the President's budget, however, it is the Administration's intent that these funds remain available until expended.

DEPARTMENT OF JUSTICE
1987 PAY REQUEST & ALLOWANCE
(IN THOUSANDS OF DOLLARS)

09-Feb-87
10:35 AM

APPROPRIATION	TOTAL INCREASED PAY COST	AMOUNT TO BE ABSORBED	REQUEST FOR ADDITIONAL APPROPRIATION
GENERAL ADMINISTRATION.....	$1,083	$508	$575
WORKING CAPITAL FUND.....	372	372	0
U.S. PAROLE COMMISSION.....	165	81	84
GENERAL LEGAL ACTIVITIES.....	3,293	1,647	1,646
ANTITRUST DIVISION.	639	324	315
FOREIGN CLAIMS SETTLEMENT COMMISSION	9	6	3
U.S. ATTORNEYS.....	5,665	2,847	2,818
U.S. TRUSTEES.....	187	94	93
U.S. MARSHALS.....	2,559	325	2,234
COMMUNITY RELATIONS SERVICE.....	131	67	64
FEDERAL BUREAU OF INVESTIGATION.....	19,149	9,840	9,309
DRUG ENFORCEMENT ADMINISTRATION.....	5,186	2,593	2,593
IMMIGRATION & NATURALIZATION.....	11,511	5,923	5,588
FEDERAL PRISON SYSTEM			
SALARIES & EXPENSES.....	8,181	4,249	3,932
NATIONAL INSTITUTE OF CORRECTIONS	40	20	20
BUILDINGS & FACILITIES.....	61	31	30
FEDERAL PRISON INDUSTRIES.....	952	952	0
COMMISARY FUNDS.....	76	76	0
TOTAL, FEDERAL PRISON SYSTEM	9,310	5,328	3,982
OFFICE OF JUSTICE PROGRAMS.....	681	509	172
TOTAL, DEPARTMENT OF JUSTICE.....	59,940	30,464	29,476

PS/A:CONGPAY

DEPARTMENT OF JUSTICE

Increased Retirement Contributions

The Federal Employees' Retirement System Act of 1986, P.L. 99-335, established a new retirement system for Federal civilian employees hired after December 31, 1983, and for employees currently under the Civil Service Retirement System (CSRS) who choose to transfer to the new system. Employees hired after December 31, 1983, will be covered under the new system starting January 1, 1987. Employees who wish to transfer to the new system will be covered at the time of the transfer. Such employees may transfer between July 1, 1987, and January 1, 1988.

The two chief assumptions used in calculating our requested increase are that: 1) 20 percent of the payroll is related to post-1983 hires and 2) that 40 percent of CSRS enrolles will switch into the new system. It is our understanding that these assumptions were developed and agreed upon jointly by the Office of Management and Budget and the Congressional Budget Office.

The Department of Justice (DOJ) request may appear disproportionately, high, as a result of the large number of law enforcement personnel who are eligible for special retirement benefits, chiefly early retirement, under the new system. In addition, the new system must be fully financed by agency and employee contributions. Because employee contributions are fixed, agency contributions must make up any shortfall. This shortfall is larger for law enforcement personnel as a result of the additional retirement benefits. The final result is an agency contribution of 15.3 percent higher for law enforcement employees than for other employees.

As a result of the growing proportion of employees who will be covered by the new system, there will be increased agency contributions for retirement through at least FY 1992. These increases will show in the DOJ budget requests as uncontrollable adjustments to the base. However, there will be reductions to the amount the Treasury pays to the CSRS fund as more and more Federal employees move into the new retirement system. Estimates developed during debate on the Act show that the reductions will more than offset the requested agency increases.

DEPARTMENT OF JUSTICE

Increased Costs for Retirement Contributions (P.L. 99-335)

General Administration: "Salaries and expenses", $778,000;
United States Parole Commission: "Salaries and expenses", $155,000;
Legal Activities:
"Salaries and expenses, general legal activities", $2,213,000;
"Salaries and expenses, Antitrust Division", $430,000;
"Salaries and expenses, Foreign Claims Settlement Commission", $4,000;
"Salaries and expenses, United States Attorneys", $3,510,000;
"Salaries and expenses, Oversight of Bankruptcy Cases", $150,000;
"Salaries and expenses, United States Marshals Service", $3,211,000;
"Salaries and expenses, Community Relations Service", $85,000 of which not to exceed $22,000 for the Cuban Haitian entrant program shall remain available until expended;*
Federal Bureau of Investigation: "Salaries and expenses", $23,005,000;
Drug Enforcement Administration: "Salaries and expenses", $7,324,000;
Immigration and Naturalization Service: "Salaries and expenses", $10,186,000;
Federal Prison System:
"Salaries and expenses", $17,053,000;
"National Institute of Corrections", $129,000;
"Buildings and Facilities", $208,000;
"Limitation on administrative and vocational training expenses, Federal Prison Industries, Incorporated" (increase of $25,000 in the limitation on Administrative expenses, and $30,000 on Vocational Training expenses);
Office of Justice Programs: "Salaries and expenses", $210,000.

* The language regarding the Cuban Haitian program was inadvertantly omitted from the President's budget, however, it is the Administration's intent that these funds remain available until expended.

DEPARTMENT OF JUSTICE
1987 FERS REQUEST & ALLOWANCE

06-Feb-87
10:04 AM

APPROPRIATION	TOTAL INCREASED FERS COST	AMOUNT TO BE ABSORBED	REQUEST FOR ADDITIONAL APPROPRIATION
GENERAL ADMINISTRATION.....	778	0	778
WORKING CAPITAL FUND.....	253	253	0
U.S. PAROLE COMMISSION.....	155	0	155
GENERAL LEGAL ACTIVITIES.....	2,213	0	2,213
ANTITRUST DIVISION.....	430	0	430
FOREIGN CLAIMS SETTLEMENT COMMISSION	4	0	4
U.S. ATTORNEYS.....	3,510	0	3,510
U.S. TRUSTEES.....	150	0	150
U.S. MARSHALS.....	3,211	0	3,211
COMMUNITY RELATIONS SERVICE.....	85	0	85
FEDERAL BUREAU OF INVESTIGATION.....	23,005	0	23,005
DRUG ENFORCEMENT ADMINISTRATION.....	7,324	0	7,324
IMMIGRATION & NATURALIZATION.....	10,186	0	10,186
FEDERAL PRISON SYSTEM			
SALARIES & EXPENSES.....	17,053	0	17,053
NATIONAL INSTITUTE OF CORRECTIONS	129	0	129
BUILDINGS & FACILITIES.....	208	0	208
FEDERAL PRISON INDUSTRIES.....	1,410	1,410	0
COMMISARY FUNDS.....	38	38	0
TOTAL, FEDERAL PRISON SYSTEM	18,838	1,448	17,390
OFFICE OF JUSTICE PROGRAMS.....	210	0	210
TOTAL, DEPARTMENT OF JUSTICE.....	70,352	1,701	68,651

A:FERS:87

DEPARTMENT OF JUSTICE

General Administration

Salaries and expenses

Supplemental Estimate, Fiscal Year 1987

Table of Contents

Item	Page Number
Appropriation Language Sheet and Authorization Requirements	1
Supplemental Authorization Requirements	2
Summary Sheet	3
Summary of Requirements	5
Justification of Requirements	7
Financial Analysis	12
Program and Financing Schedule	13
Schedule of Object Classification	14
Personnel Summary	15
Detail of Permanent Positions	16

DEPARTMENT OF JUSTICE

General Administration

Salaries and expenses

For an additional amount for "Salaries and expenses", $11,212,000.

The 1987 Appropriation Authorization has not been enacted. Public Law 96-132, the Department of Justice Appropriation Authorization Act FY 1980, was the last enacted authorization legislation for the Department. This act, including funding levels for these activities, has been extended for 1987 by Public Law 99-500 dated October 18, 1986. A 1987 authorized funding level commensurate with this request should be provided.

DEPARTMENT OF JUSTICE

General Administration

Salaries and expenses

FY 1987 Supplemental Authorization Requirements
(Dollars in thousands)

	Total 1987 Authorized Funding Level		Proposed Supplemental Request		Total 1987 Authorized Level Required	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
General Administration.....	1,011	$68,353	250	$11,212	1,261	$79,565

General Administration

Salaries and expenses

Summary Sheet
(Dollars in thousands)

	Permanent Positions	Workyears	1987 Appropriation
Presently available.....	1,011	1,089	$68,353
Revised estimate.....	1,261	1,160	79,565
Proposed supplemental.....	250	71	11,212

Explanation of Request

The requested supplement 1 would provide additional funding for:

1. The implementation of the Executive Office for Immigration Review's (EOIR) priority ADP system (ANSIR) to four additional offices by the end of FY 1987, and to address anticipated workload associated with deportable criminal aliens, convicted annually in the State and Federal court system.

   The expanded implementation of ANSIR will be a critical component of EOIR's program response to the Immigration Reform and Control Act, providing the case management and tracking capabilities required to coordinate the hearings.

2. Administrative responsibilities resulting from the passage of Public Law 99-554, "The Bankruptcy Judges, U.S. Trustees, and Family Farmer Bankruptcy Act of 1986." This act expanded the pilot U.S. Trustees program to a nationwide program.

3. To promulgate and implement regulations to collect debts owed to the United States. S.209 was enacted to amend 31 U.S.C 3718, and authorizes the Attorney General for a period of three years, to retain private counsel in five to ten judicial districts to furnish legal services including representation in negotiations, compromise, settlement and litigation.

4. Three Justice Management Division (JMD) requests to: 1) enhance the overall security of the Main Justice Building; 2) staff and operate the Department's crisis management facility and 3) support the National Security Emergency Preparedness (NSEP) program in the event of a severe national security emergency.

5. Additional GSA rental charges associated with the relocation to the Bond Building. An adjustment of $700,000, for the General Administration appropriation is required because of the method used to charge for space in the Washington, D.C. metropolitan area. In addition, $60,000 is required for shuttle services between the Bond Building and the Main Justice building. (For additional information, see the General Legal Activities supplemental request).

6. Additional GSA rental charges of $1,180,000 and Federal Telecommunication System (FTS) Intercity costs of $106,000. In 1987 the Rent System replaces the Standard Level User Charges (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services.

   Also, the GSA has advised the Department of a 16 percent increase in FTS Intercity costs for 1986. This increase is mainly due to unanticipated tariff increases, savings GSA had built into their original budget estimate which will not materialize, and FY 1985 costs which were not billed by GSA last year.

General Administration

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Comparison by Activities and Program	Immigration Reform			U.S. Trustees Expansion			Private Counsel			National Security			Bond Building	GSA Rent and FTS	1987 Proposed Supplemental		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Amt.	Amt.	Perm. Pos.	WY	Amt.
1. Program Direction and Policy Coordination:																	
a. Departmental Leadership.	...	...	...	...	...	...	...	...	...	...	...	...	$109	$105	...	...	$214
b. Executive Support.....	...	...	...	...	...	...	...	...	...	...	...	...	68	96	...	...	164
c. Intelligence Policy and Planning.....	...	...	...	...	...	...	...	...	...	...	...	...	14	31	...	...	45
d. Justice Management Division.....	...	...	...	16	12	$537	22	11	$2,234	12	6	$550	534	629	50	29	4,504
Subtotal.....	...	...	...	16	12	557	22	11	2,234	12	6	550	725	861	50	29	4,927
2. Administrative Review and Appeals.....	200	42	$5,823	...	...	...	...	...	...	...	...	...	37	425	200	42	6,285
Total Requirements..	200	42	5,823	16	12	557	22	11	2,234	12	6	550	762	1,286	250	71	11,212

General Administration

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Comparison by Activities & Program	1987 Presently Available*			1987 Revised Estimates			1987 Proposed Supplemental		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Program Direction and Policy Coordination:									
a. Departmental Leadership	56	58	$5,243	56	58	$5,457	...	...	$214
b. Executive Support.....	71	78	5,467	71	78	5,631	...	...	164
c. Intelligence Policy and Planning.....	22	22	1,540	22	22	1,585	...	...	45
d. Justice Mgmt. Division.	564	588	38,970	614	617	43,474	50	29	4,504
Subtotal.....	713	746	51,220	763	775	56,147	50	29	4,927
2. Administrative Review and Appeals.....	298	343	17,133	498	385	23,418	200	42	6,285
Total Requirements.....	1,011	1,089	68,353	1,261	1,160	79,565	250	71	11,212

*This amount includes supplementals for pay ($575k) and FERS ($778k).

General Administration

Salaries and expenses

Justification of Requirements
(Dollars in thousands)

	1987 Request			1987 Proposed Supplemental			1987 Revised Request		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Item: Immigration Reform.....	...	...	...	200	42	$5,823	200	42	$5,823

Requested resources for FY 1987 include funds to expand the implementation of EOIR's priority ADP system (ANSIR) to four additional offices by the end of FY 1987, and to address anticipated workload associated with deportable criminal aliens, convicted annually, in the State and Federal court system.

The expanded implementation of ANSIR will be a critical component of EOIR's program response to the Immigration Reform and Control Act, providing the case management and tracking capabilities required to coordinate hearings of convicted aliens in Federal and State prisons beginning in FY 1987 and to prepare for anticipated workload increases in FY 1988.

In FY 1987, EOIR's workload, based on INS' assumptions, assumes additional caseload related only to deportation proceedings for criminal aliens. The request includes headquarters positions required to coordinate and manage the criminal alien adjudications, and to recruit, hire and develop training programs for increased judge, support staff and field manager positions.

	1987 Request			1987 Proposed Supplemental			1987 Revised Request		
	Perm Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Item: U.S. Trustees Expansion	...	...	...	16	12	$557	16	12	$557

P.L. 99-554, the Bankruptcy Judges, U.S. Trustees, and Family Farmer Bankruptcy Act of 1986, signed October 27, 1986, expands the current U.S. Trustee pilot program to a twenty-one region nationwide program encompassing all ninety-four judicial districts.

A supplemental increase of 16 positions, 21 FTE (of which 9 are reimbursable) and $557,000 is requested for the General Administration appropriation to provide the necessary administrative support for the U.S. Trustees' Nationwide program.

The Trustees are anticipating an increase in full-time staffing from 193 positions currently to 893 positions by the end of FY 1988, and an expansion from 10 offices to over 70 nationwide. This unique occurrence will not only increase the recurring demand for JMD services, but will also create special demands on JMD staffs for the next two to three years, including.

1. An intensive staffing effort will be needed to bring the Trustees' program to a full operation level involving recruitment, applicant screening, pay and position management, and employee relations services.

2. Expanded security services for planning and ensuring compliance with laws and regulations regarding storage and safeguarding of financial information, as well as the adjudication of requisite security background investigations.

3. A need to acquire, outfit, barcode and account for personal property assets for the new offices. Space management specialists will be required to coordinate the acquisition, alteration, occupancy and building management functions associated with the new space.

4. Additional procurement services due to the immediate need for major office automation and case management system procurements and the increased volume of contract activity associated with the expanded program.

5. An increase in financial and accounting support required by the opening of Trustee offices in newly certified districts, as well as the need to monitor the new Chapter 11 service fee collection process. This includes the development of financial management reports and the production of these reports on a regular basis.

	1987 Request			1987 Proposed Supplemental			1987 Revised Request		
	Perm Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Item: Private Counsel.....	...	...	...	22	11	$2,234	22	11	$2,234

A 1987 supplemental (22 positions, 11 FTE workyears and $2.234 million) are requested for the General Administration appropriation to provide the necessary administrative support for the Department's Private Counsel initiative. Specifically, the resources are needed to establish the Financial Debt Collection Unit within the Justice Management Division to implement S. 209. The resources will fund a small staff to manage the project, procure and oversee the requisite contracts for retention of private counsel, audit the results of the collections program, and to collect data needed for required reports to the Congress.

S. 209 was enacted on October 28, 1986 to amend 31 U.S.C. 3718. It authorizes the Attorney General for a period of three years to retain private counsel in five to ten judicial districts for the collection of debts owed to the U.S. Government. The Attorney General will award contracts on a competitive basis to at least four private counsel firms in each district. The specific terms and provisions of these contracts will be as deemed necessary by the Attorney General.

The Department believes that appropriated "seed money" is needed to implement S. 209 to reimburse the private counsel for fees which are required to file suits in state and local courts and to effect service on the debtors. Of the funds requested in 1987, $650,000 is requested annually for filing/service fees. The Department requests these funds for a two year period to avoid problems reimbursing counsel bills in October each year.

The Private Counsel initiative assumes that all functions will be the responsibility of the Justice Management Division, except for periodic local oversight of the private counsel which will be performed by the U.S. Attorneys. The amended 31 U.S.C. 3718 will become effective for a period of three years beginning on the date which the Attorney General's implementing regulations become effective. At the end of this three year period, the Comptroller General will audit the program to determine the results of the debt collection efforts of private counsel under contract.

In FY 1986, the U.S. Attorneys and the Department's litigating divisions collected $362.6 million in cash on debts referred by client agencies. If the private counsel program can increase cash collection by 25 percent, the funding being sought by the Department to establish the program will yield an investment return of $90.6 million. The Private Counsel initiative can be one of the best investments that the Federal Government has made.

	1987 Request			1987 Proposed Supplemental			1987 Revised Request		
	Perm Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Item: National Security.....	...	...	...	12	6	$550	12	6	$550

A supplemental increase is requested for the General Administration appropriation to provide the necessary administrative support for three proposed Security initiatives: Justice Command Center, National Security Emergency Program (NSEP) and the Visitor Center.

The Security Staff (SS) is currently responsible for two programs which have recently expanded to the point where they can no longer be supported by the existing staffs dedicated to their management. These two programs are the Justice Command Center and the National Security Emergency Preparedness (NSEP) Programs.

Justice Command Center. With the Attorney General's enhanced requirements regarding oversight of and reaction to domestic and, in limited cases, international terrorism, he has directed the establishment of an all source intelligence/information crisis management facility including data input and support by the Department's five major components (FBI, DEA, INS, USMS and BOP) and the United States National Central Bureau - INTERPOL. Staffing this facility in FY 1987 will require an additional 5 positions, 3 FTE and $112,000.

The NSEP Programs. The SS's Emergency Planning Group (EPG) is currently responsible for the planning for DOJ involvement in several NSEP programs designed to provide for a viable form of government in the event of a severe national security emergency. The EPG is also responsible for continuity of the presidency planning. Planning in regard to catastrophic earthquakes, emergency mobilization, combatting terrorism, legal advice on many novel issues that arise out of these activities must also be accomplished. Training for, planning and coordinating exercises to test these programs is also an EPG responsibility.

The National Security Council, Federal Emergency Management Agency and Department of Defense have required the DOJ involvement in virtually all aspects of NSEP programs. The EPG does not have adequate staff and related resources to meet the ever increasing demands, therefore is requesting 4 positions, 2 FTE and $103,000.

Visitor Center. The Attorney General has directed the upgrade of the present low level of security in the Main Justice Headquarters Building. In response to this directive, the Justice Management Division requires resources of 3 positions, 1 FTE and $335,000 for the realignment of Building entrances; establishment of strict access control through the use of visitor processing centers; automation of visitor verification; installation of a card key access system for employees; replacement of Federal Protective Service guards; and enhanced executive protection.

General Administration

Salaries and expenses

Financial Analysis
(Dollars in thousands)

Item	1987 Proposed Supplemental Pos.	1987 Proposed Supplemental Amt.	Immigration Reform Pos.	Immigration Reform Amt.	U.S. Trustees Expansion Pos.	U.S. Trustees Expansion Amt.	Private Counsel Pos.	Private Counsel Amt.	National Security Pos.	National Security Amt.	Bond Building Amt.	GSA Rent and FTS Amt.
Grade and object class												
GS-15	72	$3,747	70	$3,640	...	...	1	$54	1	$53	...	...
GS-14	18	806	10	440	2	892	5	229	1	45	...	...
GS-13	22	825	15	555	3	116	4	134	...	...	...	...
GS-12	17	595	10	510	2	65	2	65	3	95	...	...
GS-11	6	162	...	...	2	55	1	27	3	80	...	...
GS-9	25	581	20	189	...	...	4	90	1	22	...	...
GS-8	3	68	...	...	2	48	...	...	1	20	...	...
GS-7	48	837	45	765	3	54	1	18	...	...	...	...
GS-6	37	595	30	480	1	16	4	66	2	33	...	...
GS-5	1	15	...	...	1	15	...	...	...	...	...	...
Total positions & annual rate	250	7,883	200	6,579	16	453	22	703	12	348	...	...
Lapse	-181	-5,731	-158	-5,071	-6	-147	-11	-350	-6	-165	...	...
Full-time permanent equivalent employment and related permanent compensation	69	2,152	42	1,508	10	306	11	353	6	185	...	...
Other than permanent	2	49	...	...	2	49	...	...	...	...	...	...
Total FTE and related compensation	71	2,201	42	1,508	12	355	11	353	6	185	...	...
Personnel benefits		265		145		47		51		22	...	...
Travel & transportation of persons		1,393		1,293		50		50		...	...	...
Transportation of things		32		32		...		...		...	...	...
GSA rent		2,272		916		23		34		17	702	$1,180
Communications, utilities and other rent		337		211		8		12		...	...	106
Printing and reproduction		28		21		...		7		...	...	...
Other services		4,152		2,259		38		1,715		80	60	...
Supplies and materials		68		42		5		12		9	...	...
Equipment		464		196		31		...		237	...	...
Total workyears and obligations 1987	71	$11,212	42	$5,823	12	$557	11	$2,234	6	$550	$62	$1,286

Supplemental requested

STANDARD FORM 300

DEPARTMENT OF JUSTICE
GENERAL ADMINISTRATION
SALARIES AND EXPENSES

Program and financing (in thousands of dollars)

Identification code 15-0129-1-1-751		1987 Presently Available	1987 Revised Estimate	1987 Proposed Supplemental
Program by activities:				
Direct program:				
1.	Program direction and policy coordination	$51,220	$56,147	$4,927
2.	Administrative review and appeals	17,133	23,418	6,285
3.	FJRP	263	263	
	Total, direct program	68,616	79,828	11,212
	Reimbursable program	8,500	8,500	...
10.00	Total program costs, funded - obligations	77,116	88,328	11,212
Financing:				
Offsetting collections from:				
11.00	Federal funds	(8,500)	(8,500)	...
21.40	Unobligated balance available, start of year	(263)	(263)	...
39.00	Budget authority (supplemental appropriation)	68,353	79,565	11,212
Budget Authority:				
40.00	Appropriation	67,000	78,212	11,212
44.20	Supplemental for civilian pay raises	575	575	...
44.40	Supplemental for retirement contributions (P.L. 99-335)	778	778	...
Relation of obligations to outlays:				
71.00	Obligations incurred, net	68,616	79,828	11,212
72.40	Obligated balance, start of year	9,580	9,580	...
74.40	Obligated balance, end of year	(13,393)	(13,987)	(594)
90.00	Outlays	64,803	75,421	10,618

Supplemental requested

STANDARD FORM 300

DEPARTMENT OF JUSTICE
GENERAL ADMINISTRATION
SALARIES AND EXPENSES

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 15-0129-1-1-751	1987 Presently Available	1987 Revised Estimate	1987 Proposed Supplemental*
Personnel compensation:			
11.1 Permanent positions	$36,707	$38,859	$2,152
11.3 Positions other than permanent	2,414	2,463	49
11.5 Other personnel compensation	845	845	...
11.8 Special personal services pay	114	114	...
Total personnel compensation	40,080	42,281	2,201
Personnel benefits:			
12.1 Civilian	4,922	5,187	265
13.0 Benefits for former personnel	36	36	...
21.0 Travel and transportation of persons	1,113	2,506	1,393
22.0 Transportation of things	200	232	32
23.1 Standard Level User charges	6,648	8,920	2,272
23.3 Rent, communications, & utilities	3,082	3,419	337
24.0 Printing and reproduction	488	516	28
25.0 Other services	10,256	14,408	4,152
26.0 Supplies and materials	1,469	1,537	68
31.0 Equipment	322	786	464
Subtotal direct obligations	68,616	79,828	11,212
Reimbursable obligations	8,500	8,500	...
99.0 Total Obligations	77,116	88,328	11,212

* The 1987 proposed supplemental object class distribution differs from that submitted in the galleys due to a realignment of resources for the Immigration Reform supplemental.

Supplemental requested

STANDARD FORM 300

DEPARTMENT OF JUSTICE
GENERAL ADMINISTRATION
SALARIES AND EXPENSES

PERSONNEL SUMMARY

Identification code 15-0129-1-1-751	1987 Presently Available	1987 Revised Estimate	1987 Proposed Supplemental
Direct:			
Total number of full-time permanent positions	1,011	1,259	250
Total compensable workyears: Full-time equivalent employment.	1,089	1,169	80
Full-time equivalent of overtime and holiday hours	21	21	...
Average ES salary	$67,403	$67,403	...
Average GS grade	10.0	10.2	10.9
Average GS salary	$34,961	$35,826	$39,511
Average salary of ungraded positions	$20,926	$20,926	...
Reimbursable:			
Total compensable workyears: Full-time equivalent employment.	42	42	...
Average GS grade	10.56	10.56	...
Average GS salary	$33,446	$33,446	...

Supplemental requested

STANDARD FORM 300

DEPARTMENT OF JUSTICE
GENERAL ADMINISTRATION
SALARIES AND EXPENSES
DETAIL OF PERMANENT POSITIONS

Identification code 15-0129-1-1-751	1987 Presently Available	1987 Revised Estimate	1987 Proposed Supplemental
Executive Level I	1	1	...
Executive Level II	1	1	...
Executive Level III	1	1	...
Executive Level IV	2	2	...
Subtotal	5	5	...
ES-6	7	7	...
ES-5	9	9	...
ES-4	12	12	...
ES-3	6	6	...
ES-2	6	6	...
ES-1	8	8	...
Subtotal	48	48	...
GS/GM-15	153	225	72
GS/GM-14	117	135	18
GS/GM-13	102	124	22
GS-12	52	69	17
GS-11	33	39	6
GS-10	8	8	...
GS-9	62	87	25
GS-8	50	53	3
GS-7	79	128	49
GS-6	117	154	37
GS-5	74	75	1
GS-4	63	63	...
GS-3	22	22	...
GS-2	3	3	...
Subtotal	935	1,185	250
Ungraded	23	23	...
Total permanent positions	1,011	1,261	250
Unfilled positions, end of year	-28	-28	...
Total permanent employment end of year	983	1,233	250

16

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

Salaries and expenses, General Legal Activities

Supplemental Estimate, Fiscal Year 1987

Table of Contents

Item	Page Number
Appropriation Language Sheet and Authorization Requirements	1
Summary of Requirements	2
Justification of Requirements	3
Financial Analysis	9
Program and Financing Schedule	10
Schedule of Object Classification	12
Personnel Summary	13
Detail of Permanent Positions	14

DEPARTMENT OF JUSTICE

Legal Activities

Salaries and expenses, General Legal Activities

For an additional amount for "Salaries and Expenses, general legal activities," $7,786,000, of which $2,000,000 requested for independent counsel expenses shall remain available until expended.

Explanation of Request

The supplemental request would provide $2,287,000 for the Criminal Division's forced relocation to the Bond Building located at 1400 New York Avenue and $444,000 for increased telecommunications charges. In addition, $1,359,000 is included to establish a special counsel for discrimination in response to recent changes in immigration law; $2,000,000 to fund the costs of independent counsel appointed pursuant to 28 U.S.C. 591, et. seq.; $120,000 for legal documentation related to emergency preparedness; and, $1,576,000 for immigration and anti-fraud related litigation.

The 1988 Budget Appendix provides language supporting the merger of the Antitrust and U.S. Attorneys accounts with the General Legal Activities (GLA) appropriation. The Appendix also reflects Antitrust data in the 1987 column of the 1988 budget request for GLA. This supplemental request does not include the Antitrust Division; the Division's 1987 supplemental request has been submitted under separate cover.

Authorization Requirements

The 1987 Appropriation Authorization bill has not been enacted. Public Law 96-132, the Department of Justice Appropriation Authorization Act for 1980, was the last enacted authorization legislation for the Department. This Act, including funding authority for the Department's activities, has been extended for 1987 by the Department of Justice Appropriations Act, 1987 contained in P.L. 99-500 signed October 18, 1986. Additional authorization of $7,786,000 is required by this request.

Legal Activities

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Comparison by activities	1987 Presently Available Perm. Pos.	WY	Amount	1987 Revised Estimate Perm. Pos.	WY	Amount	1987 Proposed Supplemental Perm. Pos.	WY	Amount
1. Conduct of Supreme Court proceedings and review of appellate matters	49	54	$3,829	49	54	$3,861	...	...	$32
2. General tax matters	639	643	34,094	639	643	34,389	...	...	295
3. Criminal matters	769	724	45,942	769	724	47,421	...	...	1,479
4. Claims, customs and general civil matters	868	882	74,866	902	890	76,863	34	8	1,997
5. Land, natural resources and Indian matters	349	335	23,692	349	335	23,909	...	...	217
6. Legal opinions	35	39	2,298	39	40	2,445	4	1	147
7. Civil rights matters	404	424	23,499	404	424	23,736	...	...	237
8. INTERPOL-USNCB	44	44	3,036	44	44	3,059	...	...	23
9. Independent counsel	...	...	...	...	...	2,000	...	...	2,000
10. Legal activities office automation fund	...	...	1,537	...	...	1,537	...	...	...
11. Special counsel for discrimination	...	...	...	30	11	1,359	30	13	1,359
Total	3,157	3,145	212,793	3,225	3,167	220,579	68	22	7,786
Reimbursable WY		138			138			...	
Total WY ceiling		3,283			3,305			22	

1555

Justification of Requirements
(Dollars in thousands)

Comparison by Activities	1987 Proposed Supplemental			Common Expense Items		Immigration Reform			Additional Litigation Resources		
	Perm. Pos.	WY	Amt.	Bond Building Relocation	Increase in FTS Tariffs	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
1. Conduct of Supreme Court proceedings and review of appellate matters	...	...	$32	$25	$7	...	...	...	...	...	...
2. General tax matters	...	...	295	198	97	...	...	...	...	...	...
3. Criminal matters	...	...	1,479	1,354	125	...	...	...	...	...	...
4. Claims, customs and general civil matters	34	8	1,997	320	101	13	3	$936	21	5	$640
5. Land, natural resources and Indian matters	...	...	217	161	56	...	...	...	...	...	...
6. Legal opinions	4	1	147	22	5	...	...	...	4	1	120
7. Civil rights matters	...	...	237	184	53	...	...	...	...	...	...
8. INTERPOL-USNCB	...	...	23	23	...	...	...	...	...	...	...
9. Independent counsel	...	...	2,000	...	...	...	...	...	...	...	2,000
10. Legal activities office automation	...	...	...	...	...	...	...	...	...	...	...
11. Special counsel for discrimination	30	13	1,339	...	...	30	13	1,359	...	...	...
Total requirements	68	22	7,786	2,287	444	43	16	2,295	25	6	2,760

1556

Legal Activities

Salaries and expenses, General Legal Activities

Justification of Requirements
(Dollars in thousands)

	1987 Presently Available	1987 Revised Estimate	1987 Proposed Supplemental
Item: Relocation costs	...	$2,287	$2,287

Most Criminal Division personnel located in Washington, D.C. are currently housed in the Federal Triangle Building. The lease on this building expired on July 31, 1986, and the General Services Administration (GSA) has offered the Department of Justice replacement space in the Bond Building, located at 1400 New York Avenue. The Bond Building contains sufficient additional space to permit the Department to house not only the Criminal Division components that are now located in the Federal Triangle Building but also to include at the same location two other Criminal Division components, the Office of Special Investigations (now located in the poorly configured and wastefully expensive Hamilton Building at 1375 K Street, N.W.) and the DOD Procurement Fraud Unit (now located in the Dominion Bank Building in Alexandria, Virginia, too far from Fraud Section management for fully effective integration into the section). This opportunity will allow the Division to consolidate its Washington, D.C. personnel in two buildings, Main Justice and the Bond Building.

In relocating to the Bond Building, the Criminal Division will improve its office space utilization rate significantly. In its present location in the Federal Triangle building, the average office space occupied by each employee is approximately 165 square feet while the utilization rate projected for the Bond Building is only 145 square feet. There will be an even greater improvement in the office space utilization in the Bond Building compared with the Hamilton Building and Dominion Bank Building. Although there is an increase in total space attributable to special requirements such as additional library and computer facilities, some important long-term savings will accrue to the Department by housing the same number of personnel in less office space.

The General Services Administration will finance certain construction expenses, but only to the extent that they are necessary to replicate the facilities now provided to the Division at the Federal Triangle Building. Accordingly, the GSA will not pay for any expenses relative to housing the components that will be relocated voluntarily by the Department, some 10 percent of the relocation. Neither will GSA pay for the construction of facilities that are required by the Department but are not included in GSA's definition of "government standard" lease provisions. Most of these requirements owe to the nature of the Criminal Division's operations as a law enforcement agency or to the design of the Bond Building.

Some of the requirements for which the Department of Justice requires supplemental funding relate to the construction and lease standards allowed by GSA. For instance, the building owner is not required to furnish individual door locks and GSA will only provide door locks for the same number of doors as the number currently outfitted with locks in the Division's Federal Triangle Building site. Similarly, the building owner will pay only for electrical circuits and receptacles to the extent that they are required by the lease agreement with GSA, and GSA will only pay for additional receptacles to the extent that they now exist in the Federal Triangle Building. Other requirements to support the confidential character of the Criminal Division's operations include an access control system to protect the facility from intruders, document storage vaults, and a secure reception area for each floor.

In addition to special facilities that are necessary to secure the office space assigned to the Criminal Division, the Division also requires construction of certain facilities that will support the modernization of its operations. Such facilities include the construction of a computer room and several copier rooms and the installation of dedicated electrical circuits and data communication lines. The provision of such facilities will support productivity and operational improvements that are necessary to keep up with the work demands placed on the Division.

Because of the method of charging Departmental organizations for space in the Washington, D.C. metropolitan area this move will result in an adjustment to the rental charges for the other components of the General Legal Activities appropriation of $933,000. These additional rental charges break down as follows: Office of Solicitor General, $23,000; Tax Division, $198,000; Civil Division, $320,000; Land and Natural Resources Division, $161,000; Office of Legal Counsel, $22,000; Civil Rights Division, $184,000; and INTERPOL-USNCB, $23,000.

	1987 Presently Available	1987 Revised Estimate	1987 Proposed Supplemental
Item: Increase in FTS tariffs.....	...	$444	$444

The Department was notified of increased FTS costs for 1987 and 1988 by GSA in July 1986. The increase was approximately 16% greater than the amounts included in GSA initial cost estimates on which the budget was based. Notification of this increase was not timely enough to be included in the original 1987 budget estimate, however, increased 1988 costs have been included in the current budget request.

The distribution of increased cost of activity and program are provided on the preceding exhibit.

1558

	1987 Presently Available			1987 Revised Estimate			1987 Proposed Supplemental		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Item: Immigration Reform	...	...	...	43	16	$2,295	43	16	$2,295

Civil Division: The Immigration Reform and Control Act of 1986 will have an immediate impact on the Civil Division's caseload. The Division requires 13 positions and $936,000 to handle the certain influx of immigration litigation. This funding includes $450,000 for automated litigation support (ALS) services.

The enforcement and legalization provisions will trigger enormous caseload increases for the Civil Division as aliens seek to reverse deportation decisions in courts of appeals and challenge the Immigration and Naturalization Service's (INS) denials of interim relief in district courts. The employer sanctions provision will increase substantially the amount of defensive cases as employers initiate actions challenging search warrants and fine determinations. Further cases will be generated by litigation initiated against employers exhibiting a pattern and practice of hiring illegal aliens. Conservatively, we expect 175 new trial and 100 new appellate cases in 1987, representing a 200 percent rise in trial case receipts and a 20 percent rise in appellate case receipts over the existing 1986 workload.

The most significant aspect of this litigation is the statutory and class action challenges to immigration reform. One such case has been filed already -- Catholic Services v. Meese -- where plaintiffs seek a nationwide injunction that would paralyze INS' ability to control the borders. No provision of the new Act is immune to this type of attack and we can count on similar challenges to employer sanctions and the Systematic Alien Verification for Eligibility (SAVE) provisions. These attacks threaten to undermine the viability of immigration reform unless additional attorneys and support staff are provided.

In concert with the immediate and uncontrollable increase in district court and court of appeals actions, the Civil Division will face challenges expected to reach the Supreme Court. Additional resources are essential to uphold the nation's immigration laws in this final appeal stage.

Ten positions and $838,000 are needed in the Office of Immigration Litigation (OIL) to defend challenges under the new statute and to apply its provisions to existing caseload. The Appellate Staff will require 3 positions and $108,000 to handle the critical appellate litigation. These amounts include $450,000 in ALS to provide special data bases and a document center. The data bases will track individual litigants, class members and documents during the various stages of litigation and the document center will organize documents and support the attorneys in preparing for trials and appeals. Without ALS support the attorneys will be unable meet judicial demands because of the gigantic number of cases that immigration reform will generate.

Failure to approve this supplemental request will force the Division to delegate hundreds of cases to attorneys who lack knowledge of the highly specialized body of immigration law. Weakening the defense of immigration law by forcing cases onto inexperienced attorneys would be counterproductive to the comprehensive reform of the United States immigration law. Unless the required resources for the Civil Division are provided, the fundamental reforms that were 15 years in the making may be nullified.

Special Counsel: Funding is also requested for the establishment of a Special Counsel for Immigration-Related Unfair Employment Practices pursuant to the Immigration Reform and Control Act of 1986. The 30 positions and $1,359,000 will be used to investigate claims of immigration-related unfair labor practices. These claims may be presented by individuals, or by others on behalf of individuals, whose rights to equal employment have been violated. Upon investigation of these claims, the Special Counsel is authorized to file charges before an administrative law judge if such claims have merit.

	1987 Presently Available			1987 Revised Estimate			1987 Proposed Supplemental		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Item: Additional Litigation Resources.....	...	...	...	25	6	$2,760	25	6	$2,760

Civil Fraud Litigation: Three major anti-fraud enforcement proposals were recently enacted into law -- the False Claims Act Amendments of 1986, the Program Fraud Civil Remedies Act of 1986 and the Anti-Kickback Act of 1986. These laws improve and extend the Civil Division's ability to bring civil fraud suits. They necessitate an immediate enhancement of resources dedicated to fighting fraud against the Government and recovering monies inappropriately diverted from the United States Treasury. In 1987 the Commercial Litigation Branch will require 21 additional positions and $640,000 to handle the increase in litigation and investigation demands of the new laws. This funding includes $350,000 for automated litigation support (ALS) services.

The False Claims Act Amendments contain several features which will result in significant increases in the Division's civil frauds workload including a provision authorizing the Attorney General to obtain records and take testimony by civil investigative demand (essentially a subpoena) and a provision expanding the ability of private citizens to bring suit on behalf of the United States for fraud (the qui tam amendments).

Civil Investigative Demands (CID): This provision authorizes the Department to compel the production of records and take sworn testimony in order to investigate fraud allegations before deciding whether or not suit is warranted. This important advance was made necessary by the near-impossibility of using the fruits of grand jury investigations to litigate civil fraud cases. Because oral depositions and interrogatories may be used, the CID authority will prove much more useful than Inspector General subpoenas which can only compel the production of documents.

While the Act leads to significant advances in litigating against fraud, the provisions of the Act impose a tremendous workload burden on the exercise of the CID authority. Most judicial proceedings to obtain enforcement will be litigated by the Division to assure an orderly and uniform exposition of the new law in the courts. The Act places stringent custody and recordkeeping requirements on the information obtained and will require the establishment of a central depository for such materials. Implementation of the statute will be cumbersome; great care is required to avoid procedural error and every use of the authority requires the Attorney General's personal approval. Three attorneys will be needed to implement the CID authority.

Qui Tam Amendments: The Act provides new incentives for private citizens to initiate civil frauds lawsuits on behalf of the United States and makes it easier for them to do so. The Act also involves additional responsibilities for the Division. The amendments require the citizen to provide the Division with a copy of the material evidence supporting the fraud allegation. It must be reviewed by the Division and a decision must be made within 60 days as to whether the Government should take the case.

The new Act imposes great demands upon the Civil Division. Little opportunity will exist for investigation before deciding whether to enter the case. The investigations will have to be accomplished through civil discovery, a time consuming method of investigation. Even when the Department does not take the case, the Act requires that the Attorney General approve any dismissal by the initiating citizen as well as any case settlements. These requirements will necessitate that the Division monitors pleadings and discovery and assessments of litigative risk and the terms of settlements. The Act will generate more than 25 of these cases a year which, by law, must be investigated and reviewed.

The Program Fraud Civil Remedies Act will also increase the Civil Division's workload. In the past, small-dollar fraud cases have been delegated to U.S. Attorneys for consideration. Under this Act, these cases will be handled administratively by the agencies. However, the Act imposes a clearance process on the system which requires a decision by the Assistant Attorney General as to whether the case warrants action and, if so, whether the Department should litigate the case or authorize the referring agency to proceed administratively. Resources will be needed to litigate the most complex of the cases and appeals and to track and evaluate agency referrals. We anticipate that the Civil Division will litigate the expected constitutional challenges to this statute and handle the more than 300 of these cases annually.

Finally, the Anti-Kickback Enforcement Act will substantially expand the coverage of the existing statute. The former law applied only to kickbacks paid to induce contract awards and to kickbacks paid in connection with "negotiated" contracts. The new Act covers all contracts between the United States and its prime contractors and redefines kickbacks to prohibit a much broader range of activities. It also provides for increased damage and civil penalties. New positions will allow the Division to initiate litigation to recover millions for the Treasury. The strength and effectiveness of these litigative efforts will determine the extent to which fraud and misuse of government funds is deterred.

Without these additional resources, Division attorneys would be severely limited in their ability to implement the provisions of the new laws since present resources are already pursuing litigation in the growing number of civil fraud referrals. The Qui Tam and Program Fraud provisions require mandatory actions -- increasing workload and siphoning off limited Division resources. Unless the requested resources are made available the Division will be unable to utilize its new CID and anti-kickback powers, crippling the assertion of the Government's interests. Failure to provide the requested funding will lead to the forfeiture of millions in potential recoveries and will devastate the Division's efforts to combat waste, fraud and abuse of Government monies.

Legal opinions - National Emergency Requirements: The Office of Legal Counsel will require four positions and $120,000 in order to produce and publish Presidential Emergency Action Documents (PEADS) in times of national emergency.

Independent Counsel: The Department is requesting $2,000,000 to fund independent counsel whenever possible violations of Federal law are alleged against senior administration officials pursuant to the provisions of 28 U.S.C. 591, et. seq. There are currently five independent counsel in operation with costs continuing to mount. The Iranian arms investigation alone is expected to last through FY 1987 and will require substantial funding. The number and scope of independent counsel exceeds the Department's expectations and the capacity to absorb full funding for all of the counsel is limited.

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes

(Dollars in thousands)

Item	1987 Proposed Supplemental		Bond Building Relocation		Increase in FTS Tariffs		Immigration Reform		Additional Litigation Resources	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades										
ES-1	1	863	...	...	...	...	1	863	...	...
GS/GM-15	10	538	...	...	...	...	5	269	5	$269
GS/GM-14	17	778	...	...	...	...	10	458	7	320
GS/GM-13	7	272	...	...	...	...	5	194	2	78
GS-12	4	139	...	...	...	...	4	139	...	...
GS-11	5	135	...	...	...	...	2	54	3	81
GS-9	7	157	...	...	...	...	6	135	1	22
GS-8	1	30	...	...	...	...	1	30		
GS-7	8	167	...	...	...	...	3	95	5	72
GS-6	2	55	...	...	...	...	2	55	...	...
GS-5	4	88	...	...	...	...	4	99	2	77
Total positions and annual rate	68	3,560	...	...	...	...	43	1,469	25	891
Lapse (-)	(46)	(1,576)	...	...	...	...	(27)	(914)	(17)	(642)
Total workyears and pers. compensation	22	794	...	...	...	...	16	555	8	229
Personnel benefits	...	93	...	...	...	...	...	69	...	24
Travel and transportation of persons	...	300	...	...	...	...	...	253	...	38
Transportation of things	...	10	...	...	...	...	...	10	...	...
GSA rent	...	1,635	...	$1,465	...	...	...	140	...	30
Comm., utilities and miscellaneous charges	...	1,652	...	822	...	$444	...	365	...	21
Printing	...	22	...	...	...	...	...	15	...	7
Other services	...	2,998	...	...	...	...	...	671	...	2,327
Supplies	...	51	...	...	...	...	...	36	...	15
Equipment	...	236	...	...	...	...	...	178	...	58
Total	22	7,706	...	2,287	...	444	16	2,775	8	2,760

Supplemental now requested, existing legislation

DEPARTMENT OF JUSTICE
GENERAL LEGAL ACTIVITIES
SALARIES AND EXPENSES

Program and financing (in thousands of dollars)

15-0128-1-1-752	1987 Presently available	1987 Revised estimate	1987 Proposed supplemental
Program by activities:			
Direct program:			
1. Conduct of Supreme Court proceedings and review of appellate matters	$3,829	$3,861	$32
2. General tax matters	34,094	34,389	295
3. Criminal matters	45,942	47,421	1,479
4. Claims, customs, and general civil matters	76,146	78,143	1,997
5. Land, natural resources, and Indian matters	24,192	24,409	217
6. Legal opinions	2,298	2,445	147
7. Civil rights matters	23,499	23,736	237
8. Interpol-USNCB	3,036	3,059	23
9. Independent Counsel	250	2,250	2,000
10. Legal Activities Office Automation	1,537	1,537	...
11. Special counsel for discrimination	...	1,359	1,359
Total, direct program	214,823	222,609	7,786
Reimbursable program	19,118	19,118	...
10.00 Total program costs, funded obligations	233,941	241,727	7,786
Financing:			
Offsetting collections from:			
11.00 Federal funds	-19,118	-19,118	...
21.40 Unobligated balance available start-of-year	-2,030	-2,030	...
39.00 Budget authority	212,793	220,579	7,786
Budget Authority:			
40.00 Appropriation	208,934	216,720	7,786
44.20 Supplemental for civilian pay raises	1,646	1,646	...
44.40 Supplemental for retirement contributions (P.L. 99-335)	2,213	2,213	...

Supplemental now requested, existing legislation

STANDARD FORM 300

DEPARTMENT OF JUSTICE
GENERAL LEGAL ACTIVITIES
SALARIES AND EXPENSES

Program and financing (in thousands of dollars)

Identification code 15-0128-1-1-752		1987 Presently available	1987 Revised estimate	1987 Proposed supplemental
Relation of obligations to outlays:				
71.00	Obligations incurred, net	214,823	222,609	7,786
72.00	Obligated balance, start of year	25,069	25,069	...
74.00	Obligated balance, end of year	-39,798	-40,109	-311
89.00	Outlays	200,094	207,569	7,475
90.00	Outlays, excluding pay and retirement supplemental	196,372	203,847	7,475
91.20	Outlays from civilian pay/raise supplemental	1,597	1,597	...
91.40	Outlays from retirement contributions supplemental	2,125	2,125	...

11

STANDARD FORM 300

Supplemental now requested, existing legislation

DEPARTMENT OF JUSTICE
GENERAL LEGAL ACTIVITIES
SALARIES AND EXPENSES

Identification code 15-0218-1-1-752		1987 Presently available	1987 Revised estimate	1987 - Proposed supplemental
Direct obligations:				
11.1	Full-time permanent	111,410	112,194	784
11.3	Other than full-time permanent	4,801	4,801	...
11.5	Other personnel compensation	1,422	1,422	...
11.8	Special personal services payments	763	763	...
	Total personnel compensation	118,396	119,180	784
	Personnel benefits:			
12.1	Civilian	14,748	14,841	93
13.0	Benefits for former personnel	91	91	...
21.0	Travel and transportation of persons	8,949	9,257	308
22.0	Transportation of things	1,054	1,064	10
23.1	Rental payments to GSA	20,531	22,166	1,635
23.2	Rental payments to others	10	10	...
23.3	Communications, utilities and miscellaneous charges	13,267	14,919	1,652
24.0	Printing and reproduction	2,074	2,096	22
25.0	Other services	30,166	33,161	2,995
26.0	Supplies and materials	2,359	2,410	51
31.0	Equipment	2,616	2,852	236
41.0	Grants, subsidies and contributions	562	562	...
	Total direct obligations	214,823	222,609	7,786
	Reimbursable obligations	19,118	19,118	...
	Total obligations	223,941	241,727	7,786

Supplemental now requested, existing legislation

STANDARD FORM 300

DEPARTMENT OF JUSTICE
GENERAL LEGAL ACTIVITIES
SALARIES AND EXPENSES

PERSONNEL SUMMARY

Identification code 15-0128-1-1-752	1987 Presently available	1987 Revised estimate	1987 Proposed supplemental
Direct:			
Total number of full-time permanent positions	3,157	3,225	68
Total compensable workyears: Full-time equivalent employment	3,145	3,167	22
Full-time equivalent of overtime and holiday hours	32	32	...
Average ES salary	$67,594	$67,557	$63,135
Average GS/GM grade	7.96	8.03	11.05
Average GS/GM salary	$36,635	$36,639	$37,759
Reimbursable and Allocation:			
Total number of full-time permanent positions	6	6	...
Total compensable workyears: Full-time equivalent employment	138	138	...
Average GS/GM grade	7.0	7.0	...
Average GS/GM salary	$19,000	$19,000	...

Standard Form 306 Supplemental now requested, existing legislation

DEPARTMENT OF JUSTICE
GENERAL LEGAL ACTIVITIES
SALARIES AND EXPENSES
DETAIL OF PERMANENT POSITIONS

15-0128-1-1-752	1987 Presently available	1987 Revised estimate	1987 Proposed supplemental
Executive Level III	1	1	...
Executive Level IV	6	6	...
Subtotal	7	7	...
ES-6	2	2	...
ES-5	7	7	...
ES-4	74	74	...
ES-3	12	12	...
ES-2	15	15	...
ES-1	10	11	1
Subtotal	120	121	1
GS/GM-15	657	667	10
GS/GM-14	417	434	17
GS/GM-13	342	349	7
GS-12	189	193	4
GS-11	173	178	5
GS-10	10	10	...
GS-9	176	183	7
GS-8	130	131	1
GS-7	419	427	8
GS-6	246	248	2
GS-5	147	153	6
GS-4	77	77	...
GS-3	41	41	...
GS-2	6	6	...
Subtotal	3,030	3,097	68
Total permanent positions	3,157	3,225	68
Unfilled positions, end of year	-122	-124	-2
Total permenant employment, end of year	3,035	3,101	66
(Mono cost: 16.5)	(Mono cost: 4.9)	(Mono cost: 4.9)	(Mono cost: 4)

FBI/DOJ

14

DEPARTMENT OF JUSTICE

Legal Activities

Salaries and expenses, Antitrust Division

Supplemental Estimate, Fiscal Year 1987

Table of Contents

Item	Page Number
Appropriation Language Sheet	1
Summary of Requirements	2
Justification of Requirements	3
Program and Financing Schedule	4
Schedule of Object Classification	5

DEPARTMENT OF JUSTICE

Legal Activities

Salaries and expenses, Antitrust Division

For an additional amount for "Salaries and expenses, Antitrust Division", $299,000.

Explanation of Request

The 1987 Appropriations Authorizations Act (P.L. 99-500) was enacted on October 18, 1986. Additional authorizing legislation, adding $299,000 to the amount available for the Antitrust Division, is required.

Legal Activities

Salaries and expenses, Antitrust Division

Summary of Requirements
(Dollars in thousands)

	1987 Presently Available 1/			1987 Revised Estimates			1987 Proposed Supplemental		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Enforcement of antitrust and kindred laws:									
1. Federal Appellate Activity.....	23	23	$1,212	23	23	$1,223	---	---	$11
2. Termination and Prevention of Private Cartel Behavior.....	222	202	15,366	222	202	15,462	---	---	96
3. Preservation of Competitive Market Structure.....	164	161	15,687	164	161	15,763	---	---	76
4. Policy Analysis, Legislation and Training.....	192	91	4,914	92	91	4,957	---	---	43
5. Competition Advocacy Program.....	59	59	2,734	59	59	2,762	---	---	28
6. Management and Administration.....	89	95	3,832	89	95	3,877	---	---	45
Total requirements.....	649	631	43,745	649	631	44,044	---	---	299

1/ Includes proposed pay and FERS supplemental request of $745,000.

1570

Legal Activities

Salaries and expenses, Antitrust Division

Justification of Requirements
(Dollars in thousands)

	1987 Presently Available			1987 Revised Estimates			1987 Proposed Supplemental		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Item: Relocation costs.....	---	---	---	---	---	$215	---	---	$215

The Department is requesting supplemental funding to support the forced relocation of Criminal Division personnel to the Bond Building located at 1400 New York Avenue. Because of the method of charging Departmental organizations for space in the Washington metropolitan area, this relocation will result in an adjustment to the GSA rental charges for the Antitrust Division of $215,000.

Item: Federal Telecommunication System (FTS) increases.....	---	---	$404	---	---	$488	---	---	$84

The Department was notified of increased FTS costs for 1987 and 1988 by GSA in July 1986. The increase was approximately 16% greater than the amounts included in GSA initial cost estimates on which the budget was based. Notification of this increase was not timely enough to be included in the original 1987 budget estimate; however, increased 1988 costs have been included in the current budget request. Funds will be charged to the communications, utilities and miscellaneous object class.

1571

STANDARD FORM 300 Supplemental requested, existing legislation

DEPARTMENT OF JUSTICE
LEGAL ACTIVITIES
SALARIES AND EXPENSES, ANTITRUST DIVISION
Program and Financing (in thousands of dollars)

Identification code 15-0319-1-1-752	1987 Presently Available	1987 Revised Estimate	1987 Proposed Supplemental
Program by activities:			
Direct program:			
1. Enforcement of antitrust and kindred laws	43,745	44,044	299
10.00 Total program costs, funded obligations	43,745	44,044	299
Financing:			
40.00 Budget authority	43,745	44,044	299
Relation of obligations to outlays:			
71.00 Obligations incurred, net	43,745	44,044	299
72.40 Obligated balance, start of year	13,581	13,581	---
74.40 Obligated balance, end of year	-15,616	-15,616	---
89.00 Outlays	41,710	42,009	299

Supplemental requested, existing legislation

STANDARD FORM 304
May 1969 Bureau of the Budget
Circular No. A-11, Revised
304-101

DEPARTMENT OF JUSTICE
LEGAL ACTIVITIES
SALARIES AND EXPENSES, ANTITRUST DIVISION

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 15-0319-1-1-752		1987 Presently Available	1987 Revised Estimate	1987 Proposed Supplemental
	Personnel compensation:			
11.1	Permanent positions	22,050	22,050	---
11.3	Positions other than permanent	1,008	1,008	---
11.5	Other personnel compensation	368	368	---
11.8	Special personal services payments	3	3	---
	Total personnel compensation	23,429	23,429	---
	Personnel benefits:			
12.1	Civilian	2,984	2,984	---
13.0	Benefits for former personnel	32	32	---
21.0	Travel and transportation of persons	1,076	1,076	---
22.0	Transportation of things	244	244	---
23.1	GSA rent	4,172	4,387	215
23.3	Communications, util. and misc.	2,561	2,645	84
24.0	Printing and reproduction	275	275	---
25.0	Other services	6,118	6,118	---
26.0	Supplies and materials	863	863	---
31.0	Equipment	1,988	1,988	---
42.0	Insurance claims and indem.	3	3	---
99.0	Total obligations	43,745	44,044	299

DEPARTMENT OF JUSTICE

United States Attorneys

Salaries and expenses

Supplemental Estimate, Fiscal Year 1987

Table of Contents

Item	Page Number
Appropriation Language Sheet	1
Summary of Requirements	2
Justification of Requirements	3
Financial Analysis	4
Program and Financing Schedule	5
Schedule of Object Classification	6

DEPARTMENT OF JUSTICE

United States Attorneys

Salaries and expenses

For an additional amount for "Salaries and expenses, United States Attorneys," $887,000.

Explanation of Request

This supplemental request would provide funds for the U.S. Attorneys to pay increased rates announced by the General Services Administration (GSA) for continued usage of the Federal Telecommunications System.

1975

United States Attorneys

Salaries and expenses

Summary of Requirements
(In thousands of dollars)

Comparison by Activity	1987 Presently Available			1987 Revised Estimates			1987 Proposed Supplemental		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
U.S. Attorneys.....	5,958	5,858	$357,328	5,958	5,858	$358,215	...	...	$887

1576

United States Attorneys

Salaries and expenses

Justification of Requirements
(in thousands of dollars)

Activity: U.S. Attorneys	1987 Presently Available			1987 Revised Estimates			1987 Proposed Supplemental		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Criminal Litigation	3,242	3,167	$195,942	3,242	3,167	$196,439	...	...	$497
Civil Litigation	2,024	1,989	112,989	2,024	1,989	113,282	...	...	293
Legal Education	25	24	2,713	25	24	2,721	...	...	8
Organized Crime Drug Enforcement	519	502	29,786	519	502	29,857	...	...	71
Management and Administration	148	176	15,898	148	176	15,916	...	...	18
Total Requirements	5,958	5,858	357,328	5,958	5,858	358,215	...	...	887

Federal Telecommunications System (FTS)

The Department was notified of increased FTS costs for 1987 and 1988 by GSA in July 1986. The increase was approximately 16% greater than the amounts included in GSA initial cost estimates on which the budget was based. Notification of this increase was not timely enough to be included in the original 1987 budget estimate, however, increased 1988 costs have been included in the current budget request. The request encompasses additional funding solely for communications, utilities and other rents.

1577

United States Attorneys

Salaries and expenses

Financial Analysis
(Dollars in thousands)

Grade and object class	1987 Proposed Supplemental	
	WY	Amount
Communications, utilities, and other rents.....	...	$887

Supplemental requested, existing legislation
DEPARTMENT OF JUSTICE
LEGAL ACTIVITIES
SALARIES AND EXPENSES, U.S. Attorneys
Program and Financing (in thousands of dollars)

Identification code 15-0322-1-1-752	1987 Presently Available	1987 Revised Estimate	1987 Proposed Supplemental
Program by activities:			
Direct program: U.S. Attorneys	357,328	358,215	887
10.00 Total program costs, funded obligations	357,328	358,215	887
Financing:			
40.00 Budget Authority	357,328	358,215	887
Budget Authority:			
40.00 Approprition	357,328	358,215	887
43.00 Appropriation Adjusted	351,000	351,000	887
44.20 Supplemental for civilian pay raise	2,818	2,818	...
44.20 Supplemental for retirement system	3,510	3,510	...
Relations of Obligations to Outlays:			
71.00 Obligations incurred, net	357,328	358,215	887
72.40 Obligations, balance, start of year	34,797	34,797	...
73.40 Obligations, balance transferred, net	-45,327	-45,327	...
89.00 Outlays	345,798	347,685	887

5

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STANDARD FORM 304
May 1960, Bureau of the Budget
Circular No. A-11, Revised
304-103

Supplemental requested, existing legislation
DEPARTMENT OF JUSTICE
LEGAL ACTIVITIES
SALARIES AND EXPENSES, U.S. ATTORNEYS
OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 15-0322-1-1-752		1987 Presently Available	1987 Revised Estimate	1987 Proposed Supplemental
	Personnel compensation:			
11.1	Permanent positions	$204,596	$204,596	...
11.5	Positions other than permanent	9,126	9,126	...
11.5	Other personnel compensation	1,475	1,475	...
11.8	Special personal services payments	1,798	1,798	...
	Total personnel compensation	216,995	216,995	...
	Personnel benefits:			
12.1	Civilian	28,612	28,612	...
13.0	Benefits for former personnel	77	77	...
21.0	Travel and transportation of persons	8,149	8,149	...
22.0	Transportation of things	1,721	1,721	...
23.1	Standard level user charges	30,053	30,053	...
23.2	Rental payments to others	182	182	...
23.3	Communications, utilities & misc	26,433	27,320	$877
24.0	Printing and reproduction	2,769	2,769	...
25.0	Other services	32,750	32,750	...
26.0	Supplies and materials	2,892	2,892	...
31.0	Equipment	6,695	6,695	...
32.0	Lands and structures			
33.0	Investments and loans			
41.0	Grants, subsidies, and contributions			
42.0	Insurance claims and indemnities			
43.0	Interest and dividends			
44.0	Refunds			
99.0	Total obligations	357,328	358,215	877 6
	(Mono cat: 20.11)	(Mono cat: 5.9)	(Mono cat: 5.9)	(Mono cat: 5)

Department of Justice

U.S. Marshals Service

Salaries and Expenses

Supplemental Estimate, Fiscal Year 1987

Table of Contents

Item	Page Number
Appropriation Language Sheet	1
Summary of Requirements	2

Department of Justice

U.S. Marshals Service

Salaries and expenses

For an additional amount for "Salaries and expenses, U.S. Marshals Service", $405,000: Provided, that in the appropriation language under this heading in Public Law 99-500, add at the end thereof "Notwithstanding the provisions of title 31 U.S.C. 3302, the Director of the United States Marshals Service may collect fees, and expenses for the service of civil process, including: complaints, summonses, subpoenas and similar process; and seizures, levies, and sales associated with judicial orders of execution; and credit not to exceed $1,000,000 of such fees to this appropriation to be used for salaries and other expenses incurred in providing these services."

Explanation of Request

The supplemental request for $405,000 would provide funding for additional costs associated with the higher than anticipated telecommunications tariff rates.

In addition, the proposed language change is intended to clarify the U.S. Marshals Service's authority to collect fees related to its service of civil process, admiralty seizures, and similar functions as provided for in Section 39 of Public Law 99-646. The change also permits up to $1,000,000 of such fees collected to be credited to this appropriation to be used for salaries and other expenses incurred in providing these services.

U.S. Marshals Service

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Activity/Program	1987 Presently Available			1987 Appropriation Available			1987 Supplemental Requested		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Witness Security	301	279	$23,794	301	279	$23,794	...	...	...
2. Fugitive investigations & court orders	757	816	44,193	757	816	44,193	...	...	...
3. Judicial security	396	399	26,268	396	399	26,268	...	...	...
4. ADP and telecommunications	8	8	7,082	8	8	7,487	...	...	$405
5. Field support and training	173	167	5,294	173	167	5,294	...	...	...
6. Handling of Federal prisoners	960	995	49,100	960	995	49,100	...	...	...
7. Organized crime drug enforcement	13	13	752	13	13	752	...	...	...
8. Management and administration	116	117	7,962	116	117	7,962	...	...	...
9. Protection of witnesses	...	...	...	...	...	...	...	...	...
Total	2,724	2,794	164,445	2,724	2,794	164,850	...	...	405

Justification of Requirements

The Department was notified of increased FTS costs for 1987 and 1988 by GSA in July 1986. The increase was approximately 16 percent greater than the amounts included in GSA initial cost estimates on which the budget was based. Notification of this increase was not timely enough to be included in the original 1987 budget estimate; however, increased 1988 costs have been included in the current budget request.

DEPARTMENT OF JUSTICE

Legal Activities

Support of United States Prisoners

Supplemental Estimate, Fiscal Year 1987

Table of Contents

Item	Page Number
Appropriation Language Sheet and Authorization Requirements	1
Summary of Requirements	2
Justification of Requirements	3
Financial Analysis	4
Program and Financing Schedule	5
Schedule of Object Classification	6

DEPARTMENT OF JUSTICE

Legal Activities

Support of United States Prisoners

For an additional amount for "Support of United States Prisoners", $9,630,000.

Explanation of Request

As a result of the Comprehensive Crime Control Act--especially implementation of the bail reform provisions--the Marshals Service is experiencing an increase in the number of prisoners held in contract jails and in the length of time they are in the Service's custody. The projected increases in jail days and costs will result in a requirement of an additional $9,630,000.

Authorization Requirements

The 1987 appropriation authorization bill has not been enacted. Public Law 96-132, the Department of Justice appropriation authorization act for 1980 was the last enacted authorization legislation for the Department. This act, including funding authority for the Department's activities has been extended for 1987 by the Department of Justice Appropriation Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(b); additional authorizing legislation to be proposed.

Legal Activities

Support of United States Prisoners

Summary of Requirements
(Dollars in thousands)

	1987 Presently Available	1987 Revised Estimates	1987 Proposed Supplemental
Comparison by activities			
1. Care of U.S. prisoners in non-Federal institutions	$55,000	$64,630	$9,630
2. Cooperative agreement program	5,000	5,000	...
Total Requirements	60,000	69,630	9,630

Legal Activities

Support of United States Prisoners

Justification of Requirements
(Dollars in thousands)

Item:	1987 Presently Available	1987 Revised Estimate	1987 Proposed Supplemental
Care of U.S. prisoners in non-federal institutions.....	$55,000	$69,630	$9,630

A $9,630,000 increase for jail days is urgently needed. These funds will provide for additional inmate days in contract facilities. The Marshals Service is experiencing an increase in the number of prisoners held in contract facilities and in the length of time they are in the Service's custody. This is a result of the Comprehensive Crime Control Act of 1985, especially implementation of the bail reform provision.

Prisoners currently housed in Petersburg FCI and Milan FCI will be relocated to contract facilities made available in 1987 by the Cooperative Agreement Program (Alexandria City and Wayne County). These two jails will cost the Service, at the minimum, an additional $3.5 million in jail bill costs in 1987. This and the projected growth of contract jail days will result in 260,000 more jail days than originally estimated. The large increase in jail days will result in a requirement of an additional $9,630,000.

Legal Activities

Support of United States Prisoners

Financial Analysis
(Dollars in thousands)

Item	1987 Proposed Supplemental Amount
Other Services	$9,630
Total	$9,630

Supplemental now requested, existing legislation

STANDARD FORM 300
DEPARTMENT OF JUSTICE
LEGAL ACTIVITIES
SUPPORT OF UNITED STATES PRISONERS

Program and financing (in thousands of dollars)

Identification code 15-1020-1-1-752	1987 Presently Available	1987 Revised Estimate	1987 Proposed Supplemental
Program by activities:			
1. Care of U.S. prisoners in non-federal institutions.....	$55,000	$64,630	$9,630
2. Cooperative Agreement Program....	12,124	12,124	...
Total program costs, funded.....	67,124	76,754	9,630
10.00 Total obligations.....	67,124	76,754	9,630
Financing:			
21.40 Unobligated balance available start of year.....	-7,124	-7,124	...
24.40 Unobligated balance available end of year.....	...	...	...
Budget Authority:			
40.00 Appropriation.....	60,000	69,630	...
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....	67,124	76,754	9,630
72.00 Obligated balance, start of year	23,284	23,284	...
74.00 Obligated balance, end of year.	-27,921	-28,595	-674
90.00 Outlays.....	62,487	71,443	8,956

5

Supplemental now requested, existing legislation

STANDARD FORM 304
May 1969, Bureau of the Budget
Circular No. A-11, Revised
504-103

DEPARTMENT OF JUSTICE
LEGAL ACTIVITIES
SUPPORT OF UNITED STATES PRISONERS
OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 15-1020-1-1-752		1987 Presently Available	1987 Revised Estimate	1987 Proposed Supplemental
	Personnel compensation:			
11.1	Permanent positions			
11.3	Positions other than permanent			
11.5	Other personnel compensation			
11.8	Special personal services payments	$1,130	$1,130	...
	Total personnel compensation	1,130	1,130	...
	Personnel benefits:			
12.1	Civilian	25	25	...
13.0	Benefits for former personnel			
21.0	Travel and transportation of persons			
22.0	Transportation of things			
23.0	Rent, communications, and utilities			
24.0	Printing and reproduction			
25.0	Other services	53,740	63,370	9,630
26.0	Supplies and materials	100	100	...
31.0	Equipment			
32.0	Lands and structures			
33.0	Investments and loans			
41.0	Grants, subsidies, and contributions	12,129	12,129	...
42.0	Insurance claims and indemnities			
43.0	Interest and dividends			
44.0	Refunds			
99.0	Total obligations	67,124	76,754	9,630

6

U.S. GOVERNMENT PRINTING OFFICE : 1986 O—205-026

DEPARTMENT OF JUSTICE

Legal Activities

Salaries and expenses, Community Relations Service

Supplemental Estimate, Fiscal Year 1987

Table of Contents

Item	Page Number
Appropriation Language Sheet and Authorization Requirements	1
Summary of Requirements	2
Justification of Requirements	3
Program and Financing Schedule	4

DEPARTMENT OF JUSTICE

Legal Activities

Salaries and expenses, Community Relations Service

For an additional amount for "Salaries and expenses, community relations service", $41,000: Provided, That in the appropriation language under this heading in Public Law 99-500, delete $29,637,000 of which $23,266,000 shall remain available until expended and substitute the following: $29,637,000 of which $22,791,000 shall remain available until expended".

Explanation of Request

The Department was notified of increased Federal Telecommunications Systems (FTS) costs for 1987 and 1988 by GSA in July, 1986. The increase was approximately 16% greater than the amounts included in GSA initial cost estimates on which the budget was based. Notification of this increase was not timely enough to be included in the original 1987 budget estimate, however, increased 1988 costs have been included in the current budget request.

The change in appropriation language reallocates the uncontrollable increases of $541 thousand allowed to the Community Relations Service (CRS) in the 1987 Appropriation Act. The funding levels by budget activity do not accurately reflect the intent of providing funds for uncontrollable increases. Of the $541 thousand, the budget activity consisting of the prevention and conciliation of community disputes was allocated $36 thousand, and the reception, processing, and care of Cubans and Haitian Entrants budget activity was allocated $505 thousand. It appears that an error was made in the distribution of this increase between these two budget activities as the prevention and conciliation activity had requested $560 thousand, and the reception, processing, and care activity had requested $30 thousand. This redistribution would correct this error and provide the prevention and conciliation activity with an additional $475 thousand in uncontrollable increases and the reception, processing and care activity its full uncontrollable request of $30 thousand.

Authorization Requirements

The 1987 Appropriation Authorization bill has not been enacted. Public Law 96-132, the Department of Justice Appropriation Authorization Act for 1980, was the last enacted authorization legislation for the Department. This Act, including funding authority for the Department's activities, has been extended for 1987 by the Department of Justice Appropriations Act, 1987 contained in P.L. 99-500 signed October 18, 1986. Additional authorization of $41,000 is required by this request.

Legal Activities

Salaries and expenses, Community Relations Service

Summary of Requirements
(Dollars in thousands)

Comparison by activities	1987 Presently Available Perm. Pos.	WY	Amount	1987 Revised Estimates Perm. Pos.	WY	Amount	1987 Proposed Supplemental Perm. Pos.	WY	Amount
1. Prevention and Conciliation of Community Disputes	88	92	$6,482	88	92	$6,990	88	92	$508
2. Reception, Processing and Care of Cubans and Haitians	30	23	23,304	30	23	22,837	30	23	-467
Total requirements	118	115	29,786 a/	118	115	29,827	118	115	41

a/ This amount includes $64 thousand for 1987 pay and $85 thousand for costs related to the Federal Employees' Retirement System.

Salaries and expenses, Community Relations Service

Justification of Requirements
(Dollars in thousands)

Comparison by Activities and Program	1987 Proposed Supplemental	Increase in FTS Costs	Redistribution of Uncontrollables
1. Prevention and Conciliation of Community Disputes:			
Technical Assistance	$29	$2	$27
Program Operations	373	23	350
Executive Direction and Control	81	5	76
Administrative Services	25	3	22
Subtotal	508	33	475
2. Reception, Processing and Care of Cubans and Haitians	-467	8	-475
Total Requirements	41	41	...

Supplemental now requested, existing legislation

OMB Exhibit 300

DEPARTMENT OF JUSTICE
LEGAL ACTIVITIES
COMMUNITY RELATIONS SERVICE
SALARIES AND EXPENSES

Program and financing (in thousands of dollars)

Identification code 15-0500-1-1-752	1987 presently available	1987 revised estimates	1987 proposed supplemental
Program by activities:			
Direct program:			
1. Prevention and conciliation of community disputes	6,482	6,990	508
2. Reception, processing and care of Cubans and Haitians	26,034	25,567	-467
Reimburseable program	85	85	...
10.00 Total program costs, funded obligations (O.C. 23.3)	32,601	32,642	41
Financing:			
Offsetting collections from: -			
11.00 Federal funds	-85	-85	...
21.40 Unobligated balance, start of year	-2,730	-2,730	...
Budget authority:			
40.00 Appropriation	29,786	29,827	41
Relation of Obligations to outlays:			
71.00 Obligations incurred, net	32,516	32,557	41
72.40 Obligated balance, start-of-year	4,239	4,239	...
74.40 Obligated balance, end-of-year	-7,579	-7,589	-10
90.00 Outlays	29,176	29,207	31

Department of Justice

Legal Activities

United States Trustee System Fund

Supplemental for Fiscal Year 1987

Table of Contents

Item	Page Number
Appropriation Language Sheet and Authorization Requirements	1
Summary Sheet	2
Justification of Requirements	3
Financial Analysis	6
Program and Financing Schedule	7
Schedule of Object Classification	8
Personnel Summary	9
Detail of Permanent Positions	10

Department of Justice

Legal Activities

United States Trustee System Fund

In addition to amounts made available under the head "Salaries and expenses, oversight of bankruptcy cases," for the expansion of the United States Trustees program, as authorized by Sec. 115 of the "Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986," (Public Law 99-554) $16,436,000; Provided, that deposits to the Fund are available in such amounts as may be necessary to pay refunds due depositors.

Explanation of Request

Supplemental funding will provide additional program resources to begin the expansion of the U.S. Trustees from 18 federal judicial districts where the program now exists to an additional 32 federal judicial districts before August 23, 1987. This deadline was enacted in Sec. 302 of the Act. Another 39 federal judicial districts will be added to the U.S. Trustee program in 1988, and the final 6 of all 94 districts will be added no later than October 1, 1992.

The United States Trustee System Fund was established to receive new fees and charges in bankruptcy cases. Higher filing fees were established by the Act, with a portion of the fees to be deposited in the Fund. Maintenance charges in chapter 11 cases will also be paid to the Fund after a judicial district's chapter 11 cases come under the program's supervision. Once expansion is complete, the fees and charges paid to the Fund are expected to offset the entire cost of the program.

Authorization Requirements

Additional authorizing legislation, adding $16,436,000 to the amount available through the United States Trustee System Fund, is also needed.

United States Trustees

Legal Activities

United States Trustee System Fund

Summary Sheet
(Dollars in thousands)

	Permanent Positions	Workyears	Appropriation
Presently available	193	181	$11,743
Revised estimate	554	283	$28,179
Proposed supplemental	361	102	$16,436

Explanation of Request

Supplemental funding is requested for nationwide expansion of the United States Trustee program pursuant to Public Law 99-554, the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986. Of a total of 21 regions established in the Act, 11 will require resources to open during FY 1987. (Sec. 302(d)(1) of the Act). The remaining 10 regions are required by the Act to be opened no later than two years after the effective date, or October 27, 1988. (Sec. 302(d)(2) of the Act.)

United States Trustees

Legal Activities

United States Trustee System Fund

Justification of Requirements
Dollars in thousands

Comparison by activity and program	1987 Presently Available Perm. Pos.	WY	Amount	1987 Revised Estimate Perm. Pos.	WY	Amount	1987 Proposed Supplemental Perm. Pos.	WY	Amount
1. Bankruptcy matters:									
Administration of cases	173	162	$10,005	500	247	$24,512	327	85	$14,507
Management and administration	20	19	1,738	54	36	3,667	34	17	$1,929
Total requirements	193	181	11,743	554	283	28,179	361	102	$16,436

In the columns showing 1987 funds presently available and the 1987 revised estimates, amounts shown include pending supplemental requests of $150,000 for the Federal Employees Retirement System and $93,000 for the 1987 pay supplemental.

This request is to provide for the nationwide expansion of the United States Trustee program. The expansion is part of Public Law 99-554, the "Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (the Act)." In FY 1987, the existing pilot program will expand, as will one non-pilot region, according to the schedule and certification process included in the Act. No later than 270 days after enactment, or August 23, 1987, U.S. Trustee staffs in these newly constituted regions will begin to supervise bankruptcy cases filed under chapters 7, 11, 12 and 13 of the Bankruptcy Code. Sec. 302(d) of the Act.

This supplemental includes enhanced resources for former pilot program locations as well as for the additional locations where offices will be opened to supervise bankruptcy cases in formerly non-pilot districts. Additional FY 1987 resources are requested because the existing FY 1987 budget of $11,500,000 cannot fund both the existing program and the expansion required to meet the deadline in Section 302 of the Act. Increases in pilot program locations are necessary due to the expanded role of the U.S. Trustees under the Act, most notably in the areas of geographic coverage, support of criminal investigations and prosecutions, audits, automated case management systems, and fee collections, and by increases in the number of federal bankruptcy judges and the number of bankruptcy cases filed throughout the country. For these reasons, only a very limited effort to expand beyond existing locations can be funded prior to receipt of supplemental funding. The sooner additional funding is made available, the sooner the expansion effort can attempt to meet the August 1987 deadline in the Act.

The timing of receipt of supplemental funds is critical to the success in expanding before the deadline in the Act. The table below shows the federal judicial districts covered by the former pilot program and those judicial districts added by the Act for which cases must be supervised 270 days after enactment, or August 23, 1987. The table shows that workload will nearly double, once the former non-pilot districts are annexed by the U.S. Trustee program. In two instances below (Region 1 and Region 16), the judicial

districts(s) comprising the region correspond(s) to the area covered by pilot U.S. Trustee program regions and judicial districts. In the remaining nine regions, some of the judicial districts were formerly pilot U.S. Trustee districts, and others were non-pilot districts prior to enactment of the Act.

FEDERAL JUDICIAL DISTRICTS GROUPED BY U.S. TRUSTEE REGION
1986 Case Filings in Regions to Open in 1987

UST Region	Federal Judicial District	FY 1986 Total Cases
1	* D MA	2,445
	* D NH	555
	* D ME	821
	* D RI	902
Region Total		4,723
2	* SD NY	3,522
	ED NY	5,574
	WD NY	3,013
	ND NY	3,412
	D CONN	2,208
	D VT	265
Region Total		17,994
3	* D NJ	7,953
	* D DEL	528
	WD PA	4,025
	ED PA	6,122
	MD PA	2,090
Region Total		20,718
4	* D DC	890
	* ED VA	8,566
	D MD	5,867
	WD VA	3,867
	D SC	3,973
	SD WV	1,769
	ND WV	777
Region Total		25,709
6	* ND TX	9,244
	ED TX	1,764
Region Total		11,008
11	* ND IL	22,237
	WD WI	3,100
	ED WI	5,644
Region Total		30,981
12	* D MN	8,215
	* D SD	1,468
	* D ND	1,078
	ND IA	2,893
	SD IA	3,386
Region Total		17,040
16	* CD CA	44,893
Region Total		44,893
19	* D CO	11,737
	D UT	5,529
	D WY	1,396
Region Total		18,662
20	* D KS	6,928
	ND OK	3,387
	ED OK	1,205
	WD OK	7,458
	D NM	2,382
Region Total		21,360
21	ND FL	1,181
	MD FL	9,773
	SD FL	4,033
	ND GA	12,069
	MD GA	4,953
	SD GA	3,442
	D PR	2,323
	D VI	29
Region Total		37,803

Total from former pilot districts 131,982
Total from former non-pilot districts 118,909

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* Pilot districts prior to the 1986 Act. ND AL is excluded from workload analysis because under the provisions of the Act, cases filed there revert to supervision of the Bankruptcy Courts on March 1, 1987. Sec. 302(d)(3)(H).

Resource levels to supervise cases in the non-pilot areas are justified by the number of judges assigned to each judicial district in each region, the expected caseload to be handled, the geographic area, and automated data processing needs. The Office of Policy and Planning, Justice Management Division, conducted a through analysis of the staff required to accomplish nationwide expansion of the program. The study included an analysis of the functions performed in field offices and in the Executive Office for U.S. Trustees. The study also examined workload with a primary focus on the bankruptcy cases filed over the 1981-1985 period in each judicial district. From these analyses, minimum staffing requirements were extrapolated for each new U.S. Trustee region in the nationwide plan. Although the study's recommendations addressed minimum requirements, its estimates of personnel requirements formed the basis for total staffing levels in this request. The staffing assumptions may prove to be conservative, but actual experience with the nationwide program is needed before an assessment can be made concerning the adequacy of the estimates. Other recommendations in the report concern the organization and staffing of individual field offices, types of positions required in the field offices and headquarters, and revenue potential for the United States Trustee Fund.

Staffing ratios were used to estimate the personnel requirements for the expanded program. Professional positions include the U.S. Trustees, Assistant U.S. Trustees, attorneys, bankruptcy analysts and case management specialists. The 21 U.S. Trustees and the

regions for which they are appointed were established by the 1986 Act. At least one Assistant U.S. Trustee is assigned to each region, with more if the caseload or geographic dispersion so indicate. The need for attorneys and bankruptcy analysts was estimated on the basis of expected caseload. The attorneys perform all senior legal functions including appearing before bankruptcy courts to argue motions, negotiating with creditors' committees or debtors, and monitoring cases for substantive compliance with bankruptcy laws. The bankruptcy analysts monitor the financial health of chapter 11 debtors and provide financial and accounting assistance to investigative agencies in pursuit of bankruptcy frauds, embezzlements, misappropriations and other bankruptcy related crimes. Case management specialists (one per U.S. Trustee region) are included in the request to operate the automated case management system.

Support personnel include staff assistants, legal data technicians, paralegal specialists, legal clerks and secretaries. One staff assistant position and one secretarial position were estimated for each U.S. Trustee region; the staff assistants will perform office administrative duties and be responsible for fee collection. The paralegal, legal clerk and legal data technician positions were estimated on the basis of caseload and the projected number of professional positions each would support in the regions.

The audit function will be performed on a contract basis, either by reimbursement to the Justice Management Division's Audit Staff or by a private sector concern or both. During the operation of the pilot program, audits of the books and records of private trustees have uncovered financial irregularities and led to successful prosecutions. More successful prosecutions are expected as the program ventures into areas previously supervised by the bankruptcy courts. In the non-pilot districts, it is unlikely that auditable records have ever been maintained by private trustees, and serious problems are expected.

A strengthened corps of bankruptcy analysts is included in the estimate to provide financial and accounting assistance on bankruptcy matters subsequent to referral to appropriate law enforcement authorities. Experience with the pilot program shows that prosecutors are willing to proceed with cases only when they are adequately documented. Existing investigatory resources and the prosecutors' offices often lack the accounting and bankruptcy expertise to develop cases. Also, the new priority assigned to bankruptcy related prosecutions will still compete with higher priority matters. Where audits,or financial reports required to be filed with the U.S. Trustee offices, indicate the possibility of criminal behavior, these analysts will be proficient in reconstructing bankruptcy case records to determine whether crimes have been committed and whether appropriate investigative or prosecutory agencies should be involved.

Installation of an automated case management system will be a priority project during expansion of the program. Congress included a requirement for a demonstration automated system in the 1986 Act. The pilot case management system in the original U.S. Trustee program has been operating successfully in two offices for two years. The system monitors the status of open cases, generates correspondence, drafts legal pleadings according to the case status, and assists with chapter 11 financial analysis and scheduling of meetings of creditors. The original system will be duplicated region by region as new offices open according to the expansion schedule.

High lapse rates were used because supplemental funds will not be available in time to allow for the ordinary 25 percent rate to apply. Positions in the supplemental request are lapsed at a 75 percent rate, and other lapse rates were applied to non-personnel object classes to reflect expected funding needs during FY 1987. After reduction for non-recurring decreases associated with the new positions, net annualization costs in FY 1988 are estimated to involve 261 workyears and $9,579,000.

United States Trustees

Legal Activities

United States Trustee System Fund

Financial Analysis

	1987 Proposed Supplemental		Management and Administration		Administration of Cases	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
Executive Level IV	12	$868	1	$72	11	$796
ES-5	2	137	2	137	0	0
Ungraded	14	982	0	0	14	982
GS/GM-15	16	965	4	243	12	722
GS/GM-14	65	3,330	5	262	60	3,068
GS/GM-13	61	2,661	5	222	56	2,439
GS-12	49	1,789	6	225	43	1,564
GS-11	27	822	3	94	24	728
GS-9	47	1,179	1	25	46	1,154
GS-8	18	409	1	23	17	386
GS-7	25	513	3	62	22	451
GS-6	14	258	3	55	11	203
GS-5	11	182	0	0	11	182
Total, positions & annual rate	361	14,095	34	1,420	327	12,675
Lapse	-259	-10,217	-17	-711	-242	-9,506
Net permanent positions	102	3,878	17	709	85	3,169
Other personnel compensation	0	496	0	15	0	481
Total, workyears and related compensation	102	4,374	17	724	85	3,650
Employee benefits		612		101		511
Benefits to former personnel		24		8		16
Travel		227		75		152
Transportation of things		149		17		132
GSA rent		1,632		111		1,521
Other rent, communications and utilities		1,441		181		1,260
Rental payments to others		225		0		225
Printing and reproduction		110		19		91
Other services		3,779		443		3,336
Supplies and materials		823		29		794
Equipment and furniture		3,040		221		2,819
Total workyears and obligations, 1987	102	$16,436	17	$1,929	85	$14,507

Supplemental requested, existing legislation

STANDARD FORM 300

DEPARTMENT OF JUSTICE
UNITED STATES TRUSTEES

UNITED STATES TRUSTEE SYSTEM FUND
PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

Identification code 15-0325-1-1-752	1987 Presently available	1987 Revised estimates	1987 Proposed supplemental
Program by activities:			
Direct program:			
1. Bankruptcy matters	11,743	28,179	16,436
Total, direct program	11,743	28,179	16,436
10.00 Total obligations	11,743	28,179	16,436
Financing			
40.00 Budget authority (proposed supplemental appropriation)	11,743	28,179	16,436
Relation of obligations to outlays:			
71.00 Obligations incurred, net	11,743	28,179	16,436
72.40 Obligated balance, start of year	...	...	...
74.40 Obligated balance, end of year	...	-822	-822
90.00 Outlays	11,743	27,357	15,614

Supplemental requested, existing legislation

STANDARD FORM 304
May 1960, Bureau of the Budget
Circular No. A-11, Revised
304-101

DEPARTMENT OF JUSTICE
UNITED STATES TRUSTEES

UNITED STATES TRUSTEE SYSTEM FUND

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 15-0325-1-1-752		1987 Currently available	1987 Revised estimate	1987 Proposed supplemental
	Personnel compensation:			
11.1	Permanent positions	$6,005	$9,883	$3,879
11.3	Positions other than permanent	236	236	...
11.5	Other personnel compensation	72	568	496
11.8	Special personal services payments	...	...	...
	Total personnel compensation	6,313	10,687	4,374
	Personnel benefits:			
12.1	Civilian	834	1,446	612
13.0	Benefits for former personnel	28	52	24
21.0	Travel and transportation of persons	408	635	227
22.0	Transportation of things	80	229	149
23.1	Standard Level User Charges	1,581	3,213	1,632
23.2	Communications, utilities and miscellaneous charges	865	2,306	1,441
23.3	Rental payments to others	..	225	225
24.0	Printing and reproduction	59	169	110
25.0	Other services	845	4,624	3,779
26.0	Supplies and materials	247	1,070	823
31.0	Equipment	483	3,523	3,040
32.0	Lands and structures	...	...	...
33.0	Investments and loans	...	...	...
41.0	Grants, subsidies, and contributions	...	...	...
42.0	Insurance claims and indemnities	...	...	...
43.0	Interest and dividends	...	...	...
44.0	Refunds	...	...	...
	.....	...	...	...
	.....	...	...	...
99.0	Total obligations	11,743	28,179	16,436

Supplemental requested, existing legislation

STANDARD FORM 300

DEPARTMENT OF JUSTICE
UNITED STATES TRUSTEES

UNITED STATES TRUSTEE SYSTEM FUND

PERSONNEL SUMMARY

Identification code 15-0325-1-1-752	1987 Presently available	1987 Revised estimates	1987 Proposed supplemental
Direct:			
Total number of full-time permanent positions	193	554	361
Total compensable workyears:			
Full-time equivalent employment	181	283	102
Full-time equivalent of overtime and holiday hours	0	0	0
Average GS/GM grade	9.50	10.64	11.17
Average GS/GM salary	$29,640	$33,780	$36,180
Average salary of ungraded positions	$60,740	$64,300	$70,140

Supplemental requested, existing legislation

Type size: 9 point 11½ picas Fed. DC mold

STANDARD FORM 306
July 1969, Bureau of the Budget
Circular No. A-11, Revised,
000-100

DEPARTMENT OF JUSTICE
UNITED STATES TRUSTEES

UNITED STATES TRUSTEE SYSTEM FUND

DETAIL OF PERMANENT POSITIONS

15-0325-1-1-752	1987 Presently available	1987 Revised estimate	1987 Proposed supplemental
Executive Level IV	0	12	12
Subtotal	0	12	12
ES-5	1	3	2
Subtotal	1	3	2
GS/GM-15	3	19	16
GS/GM-14	10	75	65
GS/GM-13	31	92	61
GS-12	7	56	49
GS-11	13	40	27
GS-9	33	80	47
GS-8	23	41	18
GS-7	24	49	25
GS-6	16	30	14
GS-5	9	20	11
Subtotal	169	502	333
Ungraded	23	37	14
Total permanent positions	193	554	361
Unfilled positions end of year	-16	-93	-77
Total permanent employment, end of year	177	461	284
(Mean cost: 15.8)	(Mean cost: 4.8)	(Mean cost: 4.8)	(Mean cost: 6)

FSI/DOJ

DEPARTMENT OF JUSTICE

Federal Bureau of Investigation

Salaries and expenses

Supplemental Estimate, Fiscal Year 1987

Table of Contents

Item	Page Number
Appropriation Language Sheet and Authorization Requirements	1
Summary Sheet	2
Summary of Requirements	3
Justification of Requirements	4
Financial Analysis	7
Program and Financing Schedule	8
Schedule of Object Classification	9

DEPARTMENT OF JUSTICE

Federal Bureau of Investigation

Salaries and expenses

For an additional amount for "Salaries and expenses", $3,989,000: Provided, That of the funds made available under this head in the Department of Justice Appropriation Act, 1987, as included in Public Laws 99-500 and 99-591, $5,686,000 for a classified project shall remain available until expended.

Explanation of Request

Supplemental funding is requested to provide for increased FTS costs and increased rental payments to GSA. Additionally, it is requested that funding provided in 1987 for a special project be made available until expended.

1610

Authorization Requirements

The most recent authorization for this appropriation is the Department of Justice Appropriation Authorization Act, Fiscal Year 1980 (P.L. 96-132), as extended by the Department of Justice Appropriation Act, 1987 (as included in Public Laws 99-500 and 99-591).

Federal Bureau of Investigation

Salaries and expenses

Summary Sheet
(Dollars in thousands)

	Permanent Positions	Workyears	1987 Appropriation Anticipated
Presently anticipated.....	22,456	21,831	$1,294,314
Revised estimate.....	22,456	21,831	1,303,989
Proposed supplemental.....	...	...	9,675

Explanation of Request

Supplemental funding is requested to provide for increased 1987 General Services Administration (GSA) rent charges and for increased Federal Telecommunications System (FTS) costs.

In addition, the proposed supplemental would reappropriate unobligated balances to provide no-year funding for a special project.

Federal Bureau of Investigation

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Comparison by activities	1987 Presently Available Perm. Pos.	WY	Amount	1987 Revised Estimates Perm. Pos.	WY	Amount	1987 Proposed Supplemental Perm. Pos.	WY	Amount
1. Criminal, security, and other investigations.....	15,196	14,692	$845,298	15,196	14,692	$852,984	...	...	$7,686
2. Investigative support.....	2,799	2,718	287,171	2,799	2,718	289,160	...	...	1,989
3. State and local assistance...	3,193	3,189	112,870	3,193	3,189	112,870	...	...	...
4. Program direction.....	1,268	1,232	48,975	1,268	1,232	48,975	...	...	...
Total requirements.....	22,456	21,831	1,294,314	22,456	21,831	1,303,989	...	...	9,675

Federal Bureau of Investigation

Salaries and expenses

Justification of Requirements
(Dollars in thousands)

Comparison by Activities	1987 Proposed Supplemental Perm. Pos.	WY	Amount	Rent Amount	FTS Amount	Reappropriation Amount
1. Criminal, security and other investigations	...	...	$7,686	$2,000	...	$5,686
2. Investigative support	...	...	1,989	...	$1,989	...
3. State and local assistance	...	...	...	...	...	...
4. Program Direction	...	...	...	...	...	...
Total Requirements	...	...	9,675	2,000	1,989	5,686

Federal Bureau of Investigation

Salaries and expenses

Justification of Requirements
(Dollars in thousands)

	1987 Presently Available	1987 Revised Estimate	1987 Proposed Supplemental
Item: Rent.....	$67,501	$69,501	$2,000

Supplemental funding of $2,000,000 is being requested to meet an anticipated shortfall in funding for rent charges for FBI space holdings. Based on the actual rent charges for the first quarter of 1987 for currently held space which totaled approximately $18,750,000, an annual rent bill of $75,001,000 is projected. An additional $4,100,000 is required to pay for space expected to be acquired during 1987. The gross annual rent charges are estimated to be $79,101,000 for the FBI in 1987, reduced by $9,600,000 through the GSA chargeback. The net rent funding requirement, $69,501,000, compares to available funding of $67,501,000. Thus, a $2,000,000 supplemental increase is required to fund total rent charges to be incurred by the FBI in 1987.

Federal Bureau of Investigation

Salaries and expenses

Justification of Requirements
(Dollars in thousands)

	1987 Presently Available	1987 Revised Estimate	1987 Proposed Supplemental
Item: Federal Telecommunications System (FTS).....	$4,404	$6,393	$1,989

The FBI was notified by GSA of increased FTS costs for 1987 due to divestiture, deregulation, and the restructuring of the telecommunications industry. The increase was approximately 16 percent greater than the amounts included in GSA's initial cost estimates on which the budget was based. Notification of this increase was not sufficiently timely to permit a modification of the FBI's original 1987 budget estimate.

FTS base-level funding for 1987 is $4,404,000. FTS obligations for 1986 exceeded $4,900,000, and it is projected that 1987 FTS costs will total $6,393,000, necessitating an additional $1,989,000 in supplemental funding.

Federal Bureau of Investigation

Salaries and expenses

Financial Analysis
(Dollars in thousands)

Item	1987 Proposed Supplemental Pos.	Amount	Rent	FTS	Reappropriation
Grades					
Total positions and annual rates	...	...	...	...	...
Full-time permanent workyears and related compensation	...	...	...	...	...
Reappropriation	...	$5,686	...	...	$5,686
Rental payments to GSA	...	2,000	$2,000	...	...
Communications, utilities, and misc. charges	...	1,989	...	$1,989	...
Total workyears and obligations, 1987	...	9,675	2,000	1,989	5,686

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STANDARD FORM 300
July 1964, Bureau of the Budget Circular No. A-11, Revised. 300-101

Supplemental requested, existing legislation
DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

Identification code 15-0200-1-1-751	1986 actual	1987 estimate	1988 estimate
Program by Activities:			
00.01 Criminal, security and other investigations	...	2,000	5,686
00.02 Investigative support	...	1,989	...
00.04 Program direction	...	...	...
10.00 Total obligations	...	3,989	5,686
Financing:			
21.40 Unobligated balance, start of year	...	...	-5,686
24.40 Unobligated balance, end of year	...	5,686	...
39.00 Budget authority	...	9,675	...
Budget Authority:			
40.00 Budget authority	...	3,989	...
50.00 Reappropriation	...	5,686	...
Relation of Obligations to Outlays:			
71.00 Obligations incurred, net	...	3,989	5,686
90.00 Outlays	...	3,989	5,686

(Memorandum: 21.0) (Memorandum: 0) (Memorandum: 0) (Memorandum: 4.0)

Supplemental requested, existing legislation

STANDARD FORM 304
May 1969, Bureau of the Budget
Circular No. A-11, Revised
304-103

DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
SALARIES AND EXPENSES

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code	19 86 actual	19 87 estimate	19 88 estimate
Personnel compensation:			
11.1 Permanent positions			
11.3 Positions other than permanent			
11.5 Other personnel compensation			
11.8 Special personal services payments			
Total personnel compensation			
Personnel benefits:			
12.1 Civilian			
13.0 Benefits for former personnel			
21.0 Travel and transportation of persons			
22.0 Transportation of things			
23.1 Rental payments to GSA	...	2,000	...
[illegible]			
23.3 Communications, utilities & misc.	...	1,989	...
24.0 Printing and reproduction			
25.0 Other services	...	...	5,686
26.0 Supplies and materials			
31.0 Equipment			
32.0 Lands and structures			
33.0 Investments and loans			
41.0 Grants, subsidies, and contributions			
42.0 Insurance claims and indemnities			
43.0 Interest and dividends			
44.0 Refunds			
99.0 Total obligations	...	3,989	5,686

U.S. GOVERNMENT PRINTING OFFICE : 1969 O—[illegible]

9

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

Salaries and Expenses

Supplemental Estimate, Fiscal Year 1987

Table of Contents

Item	Page Number
Appropriation Language Sheet and Authorization Requirements	1
Summary of Requirements	2

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

Salaries and Expenses

For an additional amount for "Salaries and Expenses, Drug Enforcement Administration," $776,000 for increased costs associated with the Federal Telecommunications System (FTS).

Explanation of Request

This supplemental request would provide funding for increased FTS costs. In 1986, the General Services Administration (GSA) advised agencies that lower charges could be anticipated for 1987. The 1987 budget request was reduced accordingly. However, in 1987, GSA increased FTS Intercity costs by approximately 16 percent due to the divestiture, deregulation and restructuring of the telecommunications industry. This increase was due primarily to higher than anticipated tariffs rates and prior year costs that are billed in the current year and were not included in GSA's original estimates. This combination of events left a deficit of $776,000 which this supplemental request seeks to recover. This funding would be added to DEA's ADP and Telecommunications program.

Authorization Requirements

The 1987 authorization/appropriation bill has been transmitted to Congress for approval. Additional authorization of $776,000 will be required.

1620

Drug Enforcement Administration

Salaries and Expenses

Summary of Requirements

(Dollars in thousands)

Comparison by activities	1987 Presently Available			1987 Revised Estimates			1987 Proposed Supplemental		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Enforcement	4,110	3,711	$315,592	4,110	3,711	$315,592	...	...	...
2. Investigative support	1,099	1,017	135,992	1,099	1,017	136,768	...	...	$776
3. State and local assistance	55	54	4,134	55	54	4,134	...	...	...
4. Program direction	416	392	23,812	416	392	23,812	...	...	...
Total requirements	5,680	5,174	479,500	5,680	5,174	480,276	...	...	776

Immigration and Naturalization Service
FY 1987 Proposed Supplemental

Overview

The Immigration and Naturalization Service (INS) is proposing a major program enhancement of $147,793,000 to implement the Immigration Reform and Control Act of 1986 (Public Law 99-603), to detain Mariel Cuban criminals who are turned over to INS' custody after completing sentences in State and local facilities, and to remedy a funding shortage due to a change in Federal Telecommunications System rates.

Immigration Reform

Two major areas of activity are to be funded by this portion of the supplemental request: improved enforcement and the new agricultural programs.

The Legalization program, mandated by Title II, Sections 201-204 of the Act, is a reimbursable program and is not included in this supplemental request. Under this program, aliens who entered the United States illegally or lapsed into illegal status prior to January 1, 1982, who resided continuously in the United States since then, and who are not excludable may apply for temporary resident status. The law allows those granted temporary status to apply for permanent resident after 18 months upon showing general admissibility and citizenship skills.

INS has requested the following resources in FY 1987 to provide the administrative review of applicants: 292 positions, 1,002 FTE, and $125,241,000. For the Legalization program, INS will promulgate a fee structure that is adequate to reimburse the costs incurred related to the legalization activities of the INS and the FBI.

Enforcement

Public Law 99-603, Title I, Sections 101-103, 111, 112, 114-116, 121; Title III, Sections 313; Title VII, Sections 701 and 702: The enforcement effort mandated by the legislation is part of a balanced approach towards a solution of the Nation's interrelated immigration and border control problems. The concept of a broad amnesty/legalization program is accompanied by a multifaceted enforcement program which will establish control of the borders between ports of entry on a permanent basis, augment inspections resources at the ports of entry, assure the expeditious deportation of aliens who have committed crimes, and eliminate the availability of employment to undocumented aliens through implementation of a program of legal sanctions against employers.

Title I of the Act mandates a vigorous, comprehensive enforcement effort to discourage, prevent, and deter the illegal entry of aliens into the United States, and to remove them if they are found here. Title I contains the "teeth" of immigration reform in three broad provisions: (1) the Employer Sanctions program to eliminate

the job magnet to illegal immigration, (2) the Systematic Alien Verification for Entitlements (SAVE) program to eliminate the entitlements and benefits magnet to illegal immigration, and (3) the Moorhead Amendment and related provisions to enhance the security of our borders at and between ports of entry by augmenting the Border Patrol by 50 percent over 2 years. To implement the Employer Sanctions program in the interior 1,237 positions and $33,669,000 are requested in 1987. The SAVE provisions will require 85 positions and $1,958,000 in the first year. The resources required to implement the Moorhead Amendment and related provisions of the law in 1987 are 2,261 positions and $70,479,000.

Title III, Section 313 of the Act authorizes the Attorney General and the Secretary of State to establish a visa waiver pilot program, to be operated over a three-year period with up to eight countries participating, in an effort to expedite the entry of certain categories of non-immigrants. Implementation of this pilot program primarily involves systems development and execution activities to be carried out by the Data and Communications Systems program.

Title VII, Section 701--the MacKay Amendment--mandates the expeditious location and removal of criminal aliens by the INS. This request includes 616 positions and $16,781,000 in 1987 to carry out the provisions of the Act.

Agricultural

Title III, Sections 301-305: In recognition of the unique needs of growers, Section 301 of the Act creates a separate and distinct temporary worker program for agriculture, the "H-2A" program.

Section 302 of the Act mandates adjustment procedures whereby aliens who can demonstrate that they have performed seasonal agricultural services in the United States for at least 90 mandays during the 12 month period ending May 1, 1986 can apply for temporary resident status. It also calls for the establishment of procedures enabling aliens to apply for temporary resident status at American consular offices outside the United States. Resources totalling 117 positions and $14,966,000 are requested in 1987 to implement the agricultural provisions of the Act.

Detention of Mariel Cuban Criminals

The Immigration and Naturalization Service is requesting a supplemental appropriation of $9,000,000 to address the serious national problem associated with detaining Mariel Cuban criminals after they have served their sentences in State and local prisons and jails. This request stems from an existing shortage of Service detention facilities, the unsuitability of utilizing INS' minimum security facilities to detain hard-core criminals and a shortage of resources to acquire additional non-Service detention space.

Due to the suspension of the December 14, 1984 accord between the United States and Cuba, INS has not been able to return Mariel Cuban criminals to Cuba since May 1985. This has created a severe detention crisis in INS detention facilities and in the United States Penitentiary at Atlanta. Atlanta has been operating under a moratorium against accepting additional Mariel Cuban detainees since October of 1985, forcing INS to detain hard-core criminals in its minimum security Service Processing Centers and local jails.

There are a number of problems related to long-term detention in INS facilities. First, the detention centers are minimum security facilities that were neither designed nor intended for the long-term incarceration of serious offenders. As a result, security problems in the form of disturbances, riots, and escapes--instigated primarily by Mariel Cubans--will continue to occur. Second, the hard-core criminals intimidate and victimize more passive detainees with whom they are commingled. Fundamental correctional procedures require the separation of detainees based on the degree of security risk. Placing violent criminals in INS' minimum security facilities clearly makes the Service vulnerable to litigation based on the failure to protect essentially passive non-Mariel Cuban detainees.

As available detention space is occupied by Mariel Cuban criminals, space for aliens other than Cubans will become virtually non-existent. Without this supplemental appropriation, the funds allocated for non-Service detention will be required to detain Cubans. The Congress recognized this developing problem in FY 1986 and provided $3 million in supplemental appropriations to address it. This request extends and expands that action into FY 1987.

Increase in Federal Telecommunications System (FTS) Charges

An increase in resources of $950,000 is needed in order to fund additional costs which will result from higher charges for service from the Federal Telecommunications System (FTS). This is mainly due to unanticipated tariff increases and other system costs which are now projected to be above those originally established by the General Services Administration.

DEPARTMENT OF JUSTICE

Immigration and Naturalization Service

Salaries and expenses

Supplemental Estimate, Fiscal Year 1987

Table of Contents

Item	Page Number
Appropriation Language Sheet	1
Summary of Requirements	2
Justification of Requirements	3
Financial Analysis	10
Program and Financing Schedule	11
Schedule of Object Classification	12
Personnel Summary	13
Detail of Permanent Positions	14

DEPARTMENT OF JUSTICE

Immigration and Naturalization Service

Salaries and Expenses

For an additional amount for "Salaries and expenses", $147,793,000 of which $35,000,000 for construction shall remain available until expended: Provided, That, in appropriation language under this head in the Department of Justice Appropriation Act, 1987, as included in Public Laws 99-500 and 99-591 delete the phrase "(not to exceed four hundred ninety, all of which shall be for replacement only)" and substitute (not to exceed 2,230, of which 490 shall be for replacement only).

Explanation of Request

This proposed supplemental would provide for the increased expenses for implementing Titles, I, III, and VII of the Immigration Reform and Control Act of 1986. This proposal would also provide resources to fund contract detention of Mariel Cuban criminals and hiyher than anticipated telecommunications tariff rates. No year authority is requested to allow funds to remain available until construction is completed. 1/

1626

1/ This clause was inadvertently left out of the President's Budget; however, it is the Administration's intent that these funds remain available until expended.

Immigration and Naturalization Service

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Comparison by Activity	1987 Presently Available Perm. Pos.	WY	Amount 1/	1987 Revised Estimates Perm. Pos.	WY	Amount	1987 Proposed Supplemental Perm. Pos.	WY	Amount
1. Enforcement	7,239	7,389	$374,588	10,635	7,695	$452,823	3,396	306	$78,235
2. Citizenship and benefits	1,305	1,335	53,560	1,431	1,451	59,678	126	116	6,118
3. Immigration support	2,023	2,025	123,184	2,717	2,198	182,399	694	173	59,215
4. Program direction	570	576	32,844	670	607	37,069	100	31	4,225
Total requirements	11,137	11,325	584,176	15,453	11,951	731,969	4,316	626	147,793

1/ Includes proposed supplemental appropriations request of $10,186,000 for Federal Employee Retirement System (FERS) costs and $5,588,000 to fund increased pay costs. Also reflects a rescission of $24,598,000 associated with appropriated items that will now be funded thru Immigration user fees. The supplemental and rescission will be submitted separately.

Immigration and Naturalization Service

Salaries and expenses

Justification of Requirements
(Dollars in thousands)

Comparison by Activities and Program	1987 Proposed Supplemental			Immigration Reform			Detention of Mariel Cubans	Increase in FTS Charges
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Amount	Amount
1. Enforcement								
Inspections	85	11	$2,607	85	11	$2,487	...	$120
Border patrol	1,848	135	25,836	1,848	135	25,577	...	259
Investigations	932	95	26,161	932	95	26,069	...	92
Anti-smuggling	67	15	1,658	67	15	1,630	...	28
Detention and deportation	464	50	21,973	464	50	12,881	$9,000	92
Subtotal	3,396	306	78,235	3,396	306	68,644	9,000	591
2. Citizenship and benefits								
Adjudications and naturalization	86	91	4,620	86	91	4,514	...	106
Refugees and overseas	40	25	1,498	40	25	1,498	...	...
Subtotal	126	116	6,118	126	116	6,012	...	106
3. Immigration support								
Training	19	2	943	19	2	941	...	2
Data and communications systems	19	9	9,766	19	9	9,750	...	16
Information and records management	254	114	4,800	254	114	4,682	...	118
Intelligence	13	10	501	13	10	499	...	2
Research and development	...	...	...	...	...	...	...	...
Construction and engineering	2	1	39,226	2	1	39,224	...	2
Field management and support	8	2	125	8	2	101	...	24
Legal proceeding	379	35	3,854	379	35	3,837	...	17
Subtotal	694	173	59,215	694	173	59,034	...	181
4. Program direction								
Executive direction and control	25	10	790	25	10	770	...	20
Administrative services	75	21	3,435	75	21	3,383	...	52
Subtotal	100	31	4,225	100	31	4,153	...	72
Total Requirements	4,316	626	147,793	4,316	626	137,843	9,000	950

Immigration and Naturalization Service

Salaries and expenses

Justification of Requirements
(Dollars in thousands)

	1987 Presently Available			1987 Revised Estimates			1987 Proposed Supplemental		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Item: Immigration Reform.....	...	...	...	4,316	626	$137,843	4,316	626	$137,843

Enforcement: Improve Enforcement-Border

The enforcement effort mandated by the Immigration Reform and Control Act of 1986 is intended to establish control of the border between ports of entry and increase the effectiveness of inspections at the ports of entry.

Section III of Title I of the Act mandates a vigorous, comprehensive enforcement effort "to prevent and deter the illegal entry of aliens into the United States and the violation of the terms of their entry".

The Border Patrol will be expanded by adding 1,456 agents, 37 pilots, and 220 support personnel (in occupations such as radio operations, electronics technicians, mechanics, etc). Automobiles, trucks, and all-terrain vehicles will be acquired to support operations. Radios and night vision equipment will also be purchased in order to make the additional personnel as effective as possible in the field. Finally, ten helicopters will be obtained to expand air operations on the border.

The mandated Border Patrol increase must be supported adequately through the addition of resources to other enforcement and support programs to provide for the expeditious processing and removal of aliens apprehended by the Border Patrol. Increases in permanent positions are proposed in the Detention and Deportation, Data and Communications, Information and Records, Construction and Engineering, Field Management and Support, Legal Proceedings, Executive Direction and Control, and Administrative Services programs.

The request includes 85 additional immigration inspectors to staff high traffic/high risk ports of entry to permit a permanent expansion of the implementation of the fraud intercept task force concept.

1629

The Investigations program will require 87 additional special agents and limited support personnel in order to carry out the added requirements of the open land entry warrant provisions of the Immigration Reform and Control Act of 1986. New vehicles and radio equipment will be needed to allow the new agents to perform their duties.

INS has seen an increase in alien smuggling operations. To address this, 14 new positions and operational resources are included for the Anti-Smuggling program to permit this unit to engage in a greater number of investigations of sophisticated smuggling operations.

The Adjudications and Naturalization program will require the addition of 75 personnel and supporting resources in order to process additional claims for immigration benefits as part of the effort to maintain acceptable levels of service to the public. Likewise, the Refugee and Overseas program is to receive 13 additional positions in order to maintain adequate agency services in overseas offices.

Resources are also included in the support programs to permit more efficient utilization of additional personnel in the operating enforcement programs. Of particular importance are increases in data systems for digital voice privacy radio equipment ($2,280,000 for 1,140 radios) for the safety of our officers and for increased operational effectiveness, and the development and implementation of new ADP systems (8 positions, 5 FTE's, $1,836,000): apprehensions, case management, employer information, and alien employment eligibility systems. Also needed are construction and engineering funds for a new detention facility ($15,000,000) to support the interior enforcement requirements mandated by law, funds for the modification of various topographic features on the borders ($4,000,000) and the construction and renovation of Border Patrol stations for increased staff complements ($16,000,000).

1690

Enforcement: Sanctions

Title I, Section 101 of the Act establishes a major employer sanctions program making it illegal to employ undocumented aliens. Commencing with a six-month period after enactment, employers will be provided with detailed information about the law; funds are included in the Investigations program for literature and an active public information campaign. Actual enforcement will begin after this education/information phase. During the first year of enforcement, employers' first violations will not be prosecuted. Implementation of sanctions requires a large permanent increase of 500 Investigations personnel (including support personnel), vehicles, and radios.

Border Patrol staffing and support are increased to permit the Patrol to take an appropriate role enforcing this law along the border. Note that while the Border Patrol staffing included in this initiative plus the staffing outlined in the Moorhead initiative increase the Patrol positions by 50 percent as mandated by the Act, requested funding levels of workyears for these and other position increases realistically reflect our ability to hire and train top-flight applicants in the remainder of this fiscal year. In addition, the Anti-Smuggling program is expected to play a role in this area in the prosecution of employers of smuggled aliens who will be discovered during investigations. The Anti-Smuggling program will be expanded by adding 38 positions, vehicles and radios.

Supporting resources are included for Detention and Deportation to process the difficult and time consuming deportations of aliens apprehended during sanctions enforcement operations. Data Systems funding is necessary to handle the anticipated status verification inquiries which will be made as employers comply with the new requirements.

A permanent increase in the Intelligence program is needed to accommodate a projected increase in requests for forensic examinations of suspected fraudulent documents.

Legal Proceedings personnel and funding are increased to handle the anticipated large increase in casework in fine hearings, appeals, and litigation arising from enforcement activities.

Other resources are included in Information and Records, Training, Construction and Engineering (SLUC), Executive Direction, and Administrative Services to provide essential support for the implementation of the sanctions program.

Enforcement: MacKay Amendment

This initiative is targeted directly at aliens engaged in criminal activities. These aliens comprise a growing threat to the domestic security of this Nation. In 1985 alone, there were over 135,000 criminal alien referrals to INS from Federal, State and local law enforcement agencies. Of this number, 42,277 had been convicted and found to be deportable. However, because of INS' resource constraints only 12,530 deportation proceedings could be initiated.

The new law mandates that INS take affirmative action to locate, process and remove criminal aliens from the United States. It requires that the Service initiate deportation proceedings as expeditiously as possible after the conviction of an alien on a deportable offense. To meet the statutory requirements of this provision, the Service is requesting 616 additional positions. The additional 345 positions in the Investigations program will allow INS to address the existing backlog and continue the workload of deportation cases with the focus on drug crimes. Interagency liaison and investigations with Drug Enforcement Administration and the Federal Bureau of Investigation will be a high priority. Removal of aliens with criminal records can result in cost savings by avoiding lengthy and costly litigation and incarceration.

The Detention and Deportation program will need 100 new positions and supporting resources to allow INS to process, detain and transport the large number of criminal aliens expected to be apprehended through drug enforcement efforts, as well as those who must be held on detainers in State and local facilities after completing sentences for drug crimes and other criminal violations. Those aliens who are involved in lengthy deportation proceedings will be detained to prevent them from absconding and returning to drug trafficking and other criminal activities.

Legal Proceedings requires 129 new positions to provide attorneys and support personnel to process additional deportation cases and appeals resulting from increased prosecutions of alien criminals. It is expected that other litigation may also arise from increased efforts in this area.

Other resources are requested for Training, Data and Communications, Information and Records, Construction and Engineering, Field Management and Support, Executive Direction and Control, and Administrative Services to provide essential support for the implementation of this sub-initiative.

Enforcement: SAVE

Title 1, Section 121 of the Act requires the States to verify the immigration status of aliens applying for benefits under the Aid for Dependent Children, Medicaid, Unemployment Compensation, Food Stamp, Educational Assistance, and Housing Assistance programs. By October 1, 1987, the Service is required to implement a system for the verification of immigration status and to make that system available to the States. The States then have until October 1, 1988 to begin complying with the status verification requirements. Data and Communications Systems resources are included in the supplemental request to expand the capacity of existing systems to process automated Central Index status inquiries. Information and Records will require 82 additional positions to respond to secondary verification requests which will result when automated inquiries cannot be processed due to data base problems e.g., incorrect or incomplete records. It is anticipated that the verification requirement will lead to a general improvement in the quality and accuracy of the data base. Investigations will print and distribute forms and information packets. Training will be provided to local offices of entitlement agencies concerning procedures and documentation.

Agricultural

Title III, Sections 301-305: In recognition of the unique needs of growers, Section 301 of the Act creates a separate and distinct temporary worker program for agriculture, the "H-2A" program. Under the provisions of this program, growers may petition to import temporary workers after establishing that qualified domestic workers cannot be found and that admission of the H-2A workers would have no adverse effect on similarly employed domestic workers. Six positions are requested for the Adjudications and Naturalization program to implement this program at a cost of $115,000 in 1987.

Title III, Section 302 of the Immigration Reform and Control Act of 1986 mandates adjustment procedures whereby aliens who can demonstrate they have performed seasonal agricultural services in the United States for at least 90 man-days during the 12 month period ending May 1, 1986 can apply for temporary resident status during the 18 month application period extending from June 1, 1987 to November 30, 1988. Such aliens will remain in temporary status for at least two years, at which time they can be adjusted to lawful permanent resident status (but not before December 1, 1990.)

Not more than 350,000 of those who can also establish that they have worked in agriculture for at least 90 days in the 12 month periods ending May 1, 1984 and May 1, 1985 will remain in temporary status for at least one year before being adjusted to lawful permanent resident status beginning December 1, 1989.

Section 302 of the Act also calls for the establishment of procedures enabling aliens to apply for temporary resident status at American consular offices outside the United States. Applicants for the Special Agricultural

Worker Program (approximately 200,000) will be processed through American consulates overseas. It is thought that 600,000 will be processed in and through legalization offices. If accepted by the consulates, aliens will be given authorization to enter the U.S. All applications, whether from consulates or legalization offices, will be processed through regional processing facilities.

Adjudications and Naturalization program, and Refugees and Overseas program positions and supporting resources will allow INS to process in a timely manner the large number of applications for temporary resident status that are anticipated, both from within the United States and at consular offices abroad, and to adjust the status of eligible applicants. Enhancements to the Anti-Smuggling program are needed to deal with increases in alien smuggling operations anticipated as a result of the Agricultural provisions of the law. A permanent increase in the Intelligence program is needed to accommodate a projected increase in requests for forensic examinations of suspected fraudulent documents.

Finally, Section 303 of the Act establishes a mechanism to determine whether additional agricultural workers are needed in fiscal years 1990 through 1993. If such a replenishment need is demonstrated, additional workers will be admitted in those years.

	1987 Presently Available	1987 Revised Estimates	1987 Proposed Supplemental
Item: Detention of Mariel Cuban Criminals ...	$3,000	$12,000	$9,000

Additional resources for Detention and Deportation are needed to fund the projected cost of non-Service detention of Mariel Cuban criminals who must be detained after completing sentences for State and local law violations, in anticipation of eventual exclusion and removal from the United States. Since the Cuban Government suspended the December 1984 repatriation agreement with the United States, the number of Mariel Cuban criminals in Service detention has been growing steadily. INS now has approximately 1,000 Mariel Cubans in custody and expects this number to remain the same between now and the end of 1987. This is a result of the use of the Oakdale Federal Alien Detention Facility. INS has been receiving, and will continue to receive, 80 to 90 Cuban criminals per month as these aliens are released from state and local prisons. Since INS has detainers on over 2,800 who are presently incarcerated, the flow into INS facilities will continue for some time to come. In addition, other Mariel Cubans are likely to be arrested, convicted, incarcerated and eventually released from State and local facilities, into INS' custody for eventual deportation.

72-165 O—87——52

	1987 Presently Available	1987 Revised Estimates	1987 Proposed Supplemental
Item: Increase in Federal Telecommunications System (FTS) Charges.....	$6,613	$7,563	$950

This supplemental request would provide funding for increased FTS costs. In 1986, the General Services Administration (GSA) advised agencies that lower charges could be anticipated for 1987. The 1987 budget request was reduced accordingly. However, in 1987 GSA increased FTS Intercity costs by approximately 16 percent, due to the divestiture, deregulation and restructuring of the telecommunications industry. This increase was due primarily to higher than anticipated tarriffs rates and prior year costs that are billed in the current year and were not included in GSA's original estimates. This combination of events left a deficit of $950,000 which this supplemental request seeks to recover.

Immigration and Naturalization Service

Salaries and expenses

Financial Analysis
(Dollars in thousands)

Item	1987 Proposed Supplemental Pos.	1987 Proposed Supplemental Amount	Immigration Reform Pos.	Immigration Reform Amount	Detention of Mariel Cubans Amount	Increase in Federal Telecommunications System Charges Amount
GS/GM-15	1	$54	1	$54	...	...
GS/GM-14	259	11,853	259	11,853	...	...
GS/GM-13	48	1,859	48	1,859	...	...
GS-12	171	5,569	171	5,569	...	...
GS-11	629	17,091	629	17,091	...	...
GS-9	1,747	39,234	1,747	39,234	...	...
GS-7	373	6,848	373	6,848	...	...
GS-6	392	6,476	392	6,476	...	...
GS-5	627	9,293	627	9,293	...	...
GS-4	69	914	69	914	...	...
Total positions and annual rates	4,316	$99,191	4,316	$99,191	...	...
Lapse	-3,827	-89,051	-3,827	-89,051	...	...
Full-time permanent workyears and related compensation	489	10,140	489	10,140	...	...
Other than permanent	137	2,935	137	2,935	...	...
Other personnel compensation	...	1,394	...	1,394	...	...
Workyears and related compensation	626	14,469	626	14,469	...	...
Personnel benefits	...	6,085	...	6,085	...	...
Travel and transportation of persons	...	12,427	...	12,427	...	...
Transportation of things	...	1,162	...	1,162	...	...
Rental payments to GSA	...	1,932	...	1,932	...	...
Communications, utilities, and misc. charges	...	2,059	...	1,109	...	$950
Printing and reproduction	...	7,104	...	7,104	...	...
Other services	...	23,782	...	14,782	$9,000	...
Supplies and materials	...	5,544	...	5,544	...	...
Equipment	...	38,229	...	38,229	...	...
Land and structures	...	35,000	...	35,000	...	...
Total workyears and obligations, 1987	626	147,793	626	137,843	9,000	950

STANDARD FORM 300

DEPARTMENT OF JUSTICE
IMMIGRATION AND NATURALIZATION SERVICE
SALARIES AND EXPENSES

Program and financing (in thousands of dollars)

Identification code 15-1217-1-1-751	1987 Presently Available	1987 Revised Estimates	1987 Proposed Supplemental
Program by activities:			
Direct program:			
Operating expenses:			
1. Enforcement	366,235	413,671	47,436
2. Citizenship and benefits	53,277	59,119	5,842
3. Immigration support	116,502	134,168	17,666
4. Program direction	32,607	36,227	3,620
Total, operating expenses	568,621	643,185	74,564
Capital investment, funded:			
1. Enforcement	8,353	39,152	30,799
2. Citizenship and benefits	460	736	276
3. Immigration support	9,982	51,531	41,549
4. Program direction	237	842	605
Total, capital investment	19,032	92,261	73,229
Total, direct program	587,653	735,446	147,793
Reimbursable program	6,665	6,665	...
10.00 Total obligations	594,318	742,111	147,793
Financing:			
Offsetting collections from:			
11.00 Federal funds	-5,816	-5,816	...
14.00 Non-Federal sources	-849	-849	...
21.40 Unobligated balance available, start of year	-3,477	-3,477	...
24.40 Unobligated balance available, end of year	...	...	...
25.00 Unobligated balance lapsing	...	...	...
Budget Authority			
40.00 Appropriation	584,176	731,969	147,793
42.00 Transferred from other accounts	...	...	...
	584,176	731,969	147,793
Relation of obligations to outlays:			
71.00 Obligations incurred, net	587,653	735,446	147,793
72.40 Obligated balance, start of year	75,704	75,704	...
74.40 Obligated balance, end of year	-116,796	-156,745	-39,949
90.00 Outlays	546,561	654,405	107,844
	(Memo ent: 35.8)	(Memo ent: 0)	(Memo ent: 0)	(Memo ent: 4.0)

DEPARTMENT OF JUSTICE
IMMIGRATION AND NATURALIZATION SERVICE
SALARIES AND EXPENSES

SEARS/ARIS FORM 304

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 15-1217-1-1-751		1987 Presently Available	1987 Revised Estimates	1987 Proposed Supplemental
	Personnel compensation:			
11.1	Permanent positions	280,683	290,823	10,140
11.3	Positions other than permanent	12,691	15,626	2,935
11.5	Other personnel compensation	49,073	50,467	1,394
11.8	Special personal services payments	296	296	...
	Total personnel compensation	342,743	357,212	14,469
	Personnel benefits:			
12.1	Civilian	55,323	61,408	6,085
13.0	Benefits for former personnel	255	255	...
21.0	Travel and transportation of persons	24,672	37,099	12,427
22.0	Transportation of things	1,479	2,641	1,162
23.1	Rental payments to GSA	29,388	31,320	1,932
23.2	Communications, utilities, and other rent	2,049	2,049	...
23.3	Comms., Util., & misc charges	14,950	17,009	2,059
24.0	Printing and reproduction	3,377	10,481	7,104
25.0	Other services	74,265	98,047	23,782
26.0	Supplies and materials	20,024	25,568	5,544
31.0	Equipment	15,700	53,929	38,229
32.0	Lands and structures	3,332	38,332	35,000
42.0	Insurance claims and indemnities	27	27	...
44.0	Refunds	19	19	...
91.0	Unvouchered	50	50	...
	Total direct obligations	587,653	735,446	147,793
	Total reimbursable obligations	6,665	6,665	...
99.0	Total obligations	594,318	742,111	147,793

12

STANDARD FORM 300

DEPARTMENT OF JUSTICE
IMMIGRATION AND NATURALIZATION SERVICE
SALARIES AND EXPENSES

PERSONNEL SUMMARY

Identification code 15-1217-1-1-751	1987 Presently available	1987 Revised estimate	1987 Proposed supplemental
Direct:			
Total number of full-time permanent positions	11,137	15,453	4,316
Total compensable workyears:			
Full-time equivalent employment	11,325	11,951	626
Full-time equivalent of overtime and holiday hours	3,274	3,438	164
Average ES salary	$65,256	$65,256	...
Average GS/GM grade	8.42	8.49	8.65
Average GS/GM salary	$22,503	$22,977	$24,062
Average salary of ungraded position	$22,835	$22,835	...

Prices and Cost Estimates

July 1986 Bureau of the Budget Circular No. A-11, Revised, 86-1(a)

DEPARTMENT OF JUSTICE
IMMIGRATION AND NATURALIZATION SERVICE
SALARIES AND EXPENSES

DETAIL OF PERMANENT POSITIONS

15-1217-1-1-751	1987 Presently available	1987 Revised estimate	1987 Proposed supplemental
Executive level IV	1	1	...
Subtotal	1	1	...
ES-5	1	1	...
ES-4	12	12	...
ES-3	4	4	...
ES-2	2	2	...
ES-1	12	12	...
Subtotal	31	31	...
GS/GM-15	123	124	1
GS/GM-14	430	689	259
GS/GM-13	446	494	48
GS-12	723	894	171
GS-11	1,634	2,263	629
GS-10	45	45	...
GS-9	3,412	5,159	1,747
GS-8	127	127	...
GS-7	460	833	373
GS-6	822	1,214	392
GS-5	1,238	1,865	627
GS-4	931	1,000	69
GS-3	473	473	...
GS-2	25	25	...
GS-1	2	2	...
Subtotal	10,891	15,207	4,316
Ungraded	214	214	...
Total permanent positions	11,137	15,453	4,316
Unfilled positions, end of year	-351	-1,981	-1,630
Total permanent employment, end of year	10,786	13,472	2,686
(Memo cost: 103)	(Memo cost: 69)	(Memo cost: 69)	(Memo cost: 6)

DEPARTMENT OF JUSTICE

Immigration and Naturalization Service

Salaries and expenses

Proposed Rescission, Fiscal Year 1987

Table of Contents

Item	Page Number
Summary of Requirements	1
Justification of Requirements	2
Financial Analysis	3
Program and Financing Schedule	4
Schedule of Object Classification	5

Immigration and Naturalization Service

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Comparison by Activity	1987 Presently Available Perm. Pos.	WY	Amount 1/	1987 Revised Estimates Perm. Pos.	WY	Amount	1987 Proposed Rescission Perm. Pos.	WY	Amount
1. Enforcement	11,192	8,132	$467,421	10,635	7,695	$452,823	-557	-437	-$14,598
2. Citizenship and benefits	1,431	1,451	59,678	1,431	1,451	59,678	...	...	...
3. Immigration support	2,717	2,198	192,399	2,717	2,198	182,399	...	...	-10,000
4. Program direction	670	607	37,069	670	607	37,069	...	...	...
Total requirements	16,010	12,388	756,567	15,453	11,951	731,969	-557	-437	-24,598

The entire amount proposed for rescission in the Enforcement activity would come from the Inspections program. For the Immigration Support activity the only program effected would be Data and Communications Systems.

1/ Includes proposed supplemental appropriations requests of $10,186,000 for Federal Employee Retirement System (FERS) costs; $5,588,000 to fund increased pay costs; and $147,793,000 for program increases to implement the Immigration Reform and Control Act of 1986 (Public Law 99-603), to detain Mariel Cuban criminals, and to remedy a funding shortage due to a change in Federal Telecommunications System rates.

Immigration and Naturalization Service

Salaries and expenses

Justification of Requirements
(Dollars in thousands)

	1987 Presently Available			1987 Revised Estimates			1987 Proposed Rescission		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Activity:									
Enforcement Inspections	1,665	1,933	$82,637	1,108	1,496	$68,039	-557	-437	-$14,598
Immigration Support Data and Communications Systems	209	191	60,639	209	191	50,639	...	...	-10,000
Total	1,874	2,124	143,276	1,317	1,687	118,678	-537	-437	-24,598

The Department of Justice Appropriations Act for 1987, P.L. 99-500 provides for the establishment of an "Immigration User Fee Account." This will allow the Immigration and Naturalization Service to charge for the inspection of certain passengers arriving in the United States aboard commercial aircraft or vessels. This Act also authorizes the Secretary of Treasury to refund the amounts paid for certain expenses incurred in providing inspectional and other identified services out of the "Immigration User Fee Account". The proposed rescission reflects those resources currently included in INS' 1987 appropriation that fund items which will now be funded through the user fee account (effective December 1, 1986).

Because the Immigration User Fee Account merely switches the source of funding for certain functions, there will be no adverse impact on INS as a result of this rescission.

Immigration and Naturalization Service

Salaries and expenses

Financial Analysis
(Dollars in thousands)

Item	1987 Proposed Rescission Pos.	Amount
GS-9	-567	-$12,509
Lapse	120	1,077
Full-time permanent workyears and related compensation	-437	-11,432
Other personnel compensation	...	-208
Workyears and related compensation	-437	-11,640
Personnel benefits	...	-2,958
Other services	...	-10,000
Total workyears and obligations, 1987	-437	-24,598

STANDARD FORM 300

DEPARTMENT OF JUSTICE
IMMIGRATION AND NATURALIZATION SERVICE
SALARIES AND EXPENSES

Program and financing (in thousands of dollars)

Identification code 15-1217-1-1-751	1987 Presently Available	1987 Revised Estimates	1987 Proposed Rescission
Program by activities:			
Direct program:			
Operating expenses:			
1. Enforcement	428,269	413,671	-14,598
2. Citizenship and benefits	59,119	59,119	...
3. Immigration support	144,168	134,168	-10,000
4. Program direction	36,227	36,227	...
Total, operating expenses	667,783	643,185	-24,598
Capital investment, funded:			
1. Enforcement	39,152	39,152	...
2. Citizenship and benefits	736	736	...
3. Immigration support	51,531	51,531	...
4. Program direction	842	842	...
Total, capital investment	92,261	92,261	...
Total, direct program	760,044	735,446	-24,598
Reimbursable program	6,665	6,665	...
10.00 Total obligations	766,709	742,111	-24,598
Financing:			
Offsetting collections from:			
11.00 Federal funds	-5,816	-5,816	...
14.00 Non-Federal sources	-849	-849	...
21.40 Unobligated balance available, start of year	-3,477	-3,477	...
24.40 Unobligated balance available, end of year	...	...	...
25.00 Unobligated balance lapsing	...	...	...
Budget Authority			
40.00 Appropriation	756,567	731,969	-24,598
42.00 Transferred from other accounts	...	...	...
	756,567	731,969	-24,598
Relation of obligations to outlays:			
71.00 Obligations incurred, net	760,044	735,446	-24,598
72.40 Obligated balance, start of year	75,704	75,704	...
74.40 Obligated balance, end of year	-158,590	-156,745	1,845
90.00 Outlays	677,158	654,405	-22,753

DEPARTMENT OF JUSTICE
IMMIGRATION AND NATURALIZATION SERVICE
SALARIES AND EXPENSES

STANDARD FORM 304
[illegible]

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 15-1217-1-1-751		1987 Presently Available	1987 Revised Estimates	1987 Proposed Rescission
	Personnel compensation:			
11.1	Permanent positions	302,255	290,823	-11,432
11.3	Positions other than permanent	15,626	15,626	...
11.5	Other personnel compensation	50,675	50,467	-208
11.8	Special personal services payments	296	296	...
	Total personnel compensation	368,852	357,212	-11,640
	Personnel benefits:			
12.1	Civilian	64,366	61,408	-2,958
13.0	Benefits for fomer personnel	255	255	...
21.0	Travel and transportation of persons	37,099	37,099	...
22.0	Transportation of things	2,641	2,641	...
22.1	Rental payments to GSA	31,320	31,320	...
23.2	Communications, utilities, and other rent	2,049	2,049	...
23.3	Comms., util., & misc charges	17,009	17,009	...
24.0	Printing and reproduction	10,481	10,481	...
25.0	Other services	108,047	98,047	-10,000
26.0	Supplies and materials	25,568	25,568	...
31.0	Equipment	53,929	53,929	...
32.0	Lands and structures	38,332	38,332	...
42.0	Insurance claims and indemnities	27	27	...
44.0	Refunds	19	19	...
91.0	Unvouchered	50	50	...
	Total direct obligations	760,044	735,446	-24,598
	Total reimbursable obligations	6,665	6,665	...
99.0	Total obligations	766,709	742,111	-24,598

[illegible]

DEPARTMENT OF JUSTICE

Federal Prison System

Salaries and expenses

Supplemental Estimate, Fiscal Year 1987

Table of Contents

Item	Page Number
Appropriation Language Sheet and Authorization Requirements	1
Summary of Requirements	2

DEPARTMENT OF JUSTICE

Federal Prison System

Salaries and expenses

For an additional amount for "Salaries and expenses", $548,000.

Explanation of Request

This supplemental request would provide funding for increased FTS costs. In 1986, the General Services Administration (GSA) advised agencies that lower charges could be anticipated for 1987. The 1987 budget request was reduced accordingly. However, in 1987 GSA increased FTS Intercity costs by approximately 16 percent, due to the divestiture, deregulation and restructuring of the telecommunciations industry. This increase was due primarily to higher than anticipated tariff rates and prior year costs that are billed in the current year and were not included in GSA's original estimates. This combination of events left a deficit of $548,000 which this supplemental request seeks to recover.

Authorization Requirements

The 1987 authorization/appropriation bill has been transmitted to Congress for approval. Additional authorization of $548,000 will be required.

Federal Prison System

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Comparison by activities	1987 Presently Available			1987 Revised Estimates			1987 Proposed Supplemental		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Inmate care, custody and programs....	8,546	8,198	$374,143	8,546	8,198	$374,143	...	...	...
2. Institution administration and maintenance.....	2,237	2,199	177,737	2,237	2,199	177,737	...	...	...
3 Contract Confinement.....	69	76	56,886	69	76	56,886	...	...	...
4. Program direction.....	405	442	39,026	405	442	39,574	...	...	548
Total Requirements.....	11,257	10,915	647,792	11,257	10,915	648,340	...	...	548

DEPARTMENT OF JUSTICE

Federal Prison System

National Institute of Corrections

For an additional amount for "National Institute of Corrections", $15,000

Explanation of Request

This supplemental request would provide funding for increased FTS costs. In 1986, the General Services Administration (GSA) advised agencies that lower charges could be anticipated for 1987. The 1987 budget request was reduced accordingly. However, in 1987 GSA increased FTS Intercity costs by approximately 16 percent, due to the divestiture, deregulation and restructuring of the telecommunciations industry. This increase was due primarily to higher than anticipated tariff rates and prior year costs that are billed in the current year and were not included in GSA's original estimates. This combination of events left a deficit of $15,000 which this supplemental request seeks to recover.

Authorization Requirements

The 1987 authorization/appropriation bill has been transmitted to Congress for approval. Additional authorization of $15,000 will be required.

DEPARTMENT OF JUSTICE

Federal Prison System

National Institute of Corrections

Supplemental Estimate, Fiscal Year 1987

Table of Contents

Item	Page Number
Appropriation Language Sheet and Authorization Requirements	1
Summary of Requirements	2

1650

Federal Prison System

National Institute of Corrections

Summary of Requirements
(Dollars in thousands)

Comparison by activities	1987 Presently Available			1987 Revised Estimates			1987 Proposed Supplemental		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. National Institute of Corrections....	41	41	$9,149	41	41	$9,164	...	...	$15

DEPARTMENT OF JUSTICE

Office of Justice Programs

Justice Assistance

Supplemental Estimate, Fiscal Year 1987

Table of Contents

Item	Page Number
Appropriation Language Sheet and Authorization Requirements	1
Summary of Requirements	2

DEPARTMENT OF JUSTICE

Office of Justice Programs

Justice Assistance

For an additional amount for Justice Assistance, $27,000.

Explanation of Request

This supplemental request would provide funding for increased FTS costs. In 1986, the General Services Administration (GSA) advised agencies that lower charges could be anticipated for 1987. The 1987 budget request was reduced accordingly. However, in 1987 GSA increased FTS Intercity costs by approximately 16 percent, due to the divestiture, deregulation, and restructuring of the telecommunications industry. This increase was due primarily to higher than anticipated tariff rates and prior year costs that are billed in the current year and were not included in GSA's original estimates. This combination of events left a deficit of $27,000 which this supplemental request seeks to recover.

Authorization Requirements

Authorization for the Office of Justice Programs is provided in the Comprehensive Crime Control Act of 1984 (P.L. 98-473). No additional authorization is required.

Office of Justice Programs

Justice Assistance

Summary of Requirements
(Dollars in thousands)

Comparison by activities	1987 Presently Available Perm. Pos.	WY	Amount	1987 Revised Estimates Perm. Pos.	WY	Amount	1987 Proposed Supplemental Perm. Pos.	WY	Amount
1. Research, evaluation and demonstration programs	...	...	$18,566	...	...	$18,566	...	...	...
2. Criminal justice statistical programs	...	...	16,002	...	...	16,002	...	...	...
3. State and local assistance	...	...	40,000	...	...	40,000	...	...	...
4. Emergency assistance	...	...	...	...	...	...	...	...	...
5. Juvenile justice programs	...	...	67,600	...	...	67,600	...	...	...
6. Missing children	...	...	4,000	...	...	4,000	...	...	...
7. Public safety officers' benefits program	...	...	9,910	...	...	9,910	...	...	...
8. Mariel cubans	...	...	5,000	...	...	5,000	...	...	...
9. Crime control programs	...	...	...	...	...	...	...	...	...
10. Regional information sharing system	...	...	9,900	...	...	9,900	...	...	...
11. Anti-drug abuse program	...	...	225,000	...	...	225,000	...	...	...
12. Management and administration	323	331	20,054	323	331	20,081	323	331	$27
Total requirements	323	331	$416,032	323	331	$416,059	323	331	27

OPENING STATEMENT

Mr. SMITH. Do you wish to place your statement in the record or read it?

Mr. BURNS. I would like to put the statement on the record, and then I would like to summarize it, if I may.

Mr. SMITH. All right. That would be fine.

[The prepared statement and biography of Mr. Burns follows:]

DEPARTMENT OF JUSTICE
SUPPLEMENTAL APPROPRIATION

STATEMENT OF THE DEPUTY ATTORNEY GENERAL
ARNOLD I. BURNS

BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENT OF COMMERCE, JUSTICE, AND STATE,
THE JUDICIARY, AND RELATED AGENCIES

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I AM PLEASED TO HAVE THE OPPORTUNITY TO BE HERE TODAY TO DISCUSS THE DEPARTMENT'S SUPPLEMENTAL APPROPRIATION REQUIREMENTS FOR 1987. THE REQUESTS ARE VITALLY IMPORTANT TO THE DEPARTMENT'S OBLIGATION TO IMPLEMENT MANY OF ITS NEW RESPONSIBILITIES RESULTING FROM LEGISLATION PASSED DURING THE SECOND SESSION OF THE 99TH CONGRESS. THESE LEGISLATIVE INITIATIVES DRIVE OUR REQUESTS. THERE IS NO ATTEMPT TO ENRICH ESTABLISHED PROGRAMS OF THE DEPARTMENT. WITH ME TO DISCUSS OUR NEEDS IS COMMISSIONER NELSON OF THE IMMIGRATION AND NATURALIZATION SERVICE AND DIRECTOR STANTON OF THE EXECUTIVE OFFICE FOR U.S. TRUSTEES.

I FIND IT DIFFICULT TO OVEREMPHASIZE THE IMPORTANCE OF THESE REQUESTS BECAUSE THEY ARE INDEED URGENT AND BECAUSE THEY ARE SO CLOSELY ALIGNED TO THE PENDING 1988 REQUESTS. THREE PIECES OF LEGISLATION PASSED LATE IN THE 99TH CONGRESS REQUIRE SUBSTANTIAL NEW RESOURCES IN 1987. THESE ARE THE IMMIGRATION REFORM AND CONTROL ACT, THE BANKRUPTCY JUDGES, UNITED STATES TRUSTEES AND FAMILY FARMER BANKRUPTCY ACT, AND THE FEDERAL EMPLOYEES RETIREMENT SYSTEM ACT. OUT OF OUR TOTAL REQUEST FOR $303,657,000 IN SUPPLEMENTAL APPROPRIATIONS, $231,605,000 OR 76 PERCENT RELATES DIRECTLY TO THESE MAJOR LEGISLATIVE INITIATIVES. WITH $29,476,000 TO FUND THE JANUARY 1987 PAY RAISE, THE PERCENTAGE

FOR THESE MAJOR ELEMENTS GROWS TO 86 PERCENT. ADDITIONALLY, WE ARE REQUESTING FUNDING TO SUPPORT EXPANDED EFFORTS INVOLVING LEGISLATIVE INITIATIVES IN THE 99TH CONGRESS RELATING TO DEBT COLLECTION AND PROCUREMENT FRAUD.

THE REMAINING ITEMS ARE TO FUND UNEXPECTED TARIFF RATES FOR THE FEDERAL TELECOMMUNICATIONS SYSTEM, TO PAY RELOCATION AND SPACE RENTAL INCREASES, TO PROVIDE FOR THE CONTRACT DETENTION OF CERTAIN MARIEL CUBANS AND UNSENTENCED FEDERAL PRISONERS, TO PAY INDEPENDENT COUNSEL EXPENSES, AND TO FUND SEVERAL PRESIDENTIAL SECURITY INITIATIVES. IN ADDITION, A TECHNICAL LANGUAGE PROVISION IS INCLUDED EXTENDING THE PERIOD FOR WHICH CERTAIN FEDERAL BUREAU OF INVESTIGATION FUNDS ARE AVAILABLE. FINALLY, SOME OF THE SUPPLEMENTAL REQUESTS, PARTICULARLY THE PAY AND RETIREMENT SUPPLEMENTALS, ARE IN AREAS THAT WE RECEIVED FUNDS IN THE OMNIBUS DRUG SUPPLEMENTAL APPROPRIATION ACT OF 1986, ALSO PASSED LAST FALL. TO THE EXTENT THAT OUR REQUESTS ARE NOT FUNDED, THIS SUPPLEMENTAL DRUG INITIATIVE AND THE ACCOMPANYING SUBSTANTIVE LEGISLATION, THE ANTI-DRUG ABUSE ACT OF 1986, WILL BE IMPEDED. TAKEN AS A WHOLE, OUR REQUESTS ARE NECESSARY TO CARRY OUT FUNDAMENTAL RESPONSIBILITIES TO ENSURE THAT THE LAWS ARE EFFECTIVELY ENFORCED.

IMMIGRATION REFORM

THE IMMIGRATION REFORM AND CONTROL ACT WAS THE PRODUCT OF ONE OF THE LONGEST AND MOST DIFFICULT LEGISLATIVE UNDERTAKINGS IN RECENT MEMORY. ITS GOAL IS TO SEIZE CONTROL OVER AND ADDRESS SUCCESSFULLY THE SUBSTANTIAL PROBLEM OF ILLEGAL IMMIGRATION THAT

CHALLENGES OUR NATION'S SOVEREIGNTY. AT THE SAME TIME, IT SEEKS TO UPHOLD THE IMMIGRATION TRADITION OF THE UNITED STATES--THE FIRM, FAIR ENFORCEMENT OF LAWS DESIGNED TO ENCOURAGE THE CONTINUED FLOW OF LEGAL IMMIGRANTS. IT CONFRONTS THE PROBLEM OF THE ILLEGAL IMMIGRANT WHO HAS HAD TO HIDE IN THE SHADOWS, WITHOUT ACCESS TO THE FULL BENEFITS OF A FREE AND OPEN SOCIETY. THE COMPREHENSIVE REFORMS OF THE ACT, HUMANELY SEEKING TO REGAIN CONTROL OF OUR BORDERS WHILE PRESERVING ONE OF THE MOST SACRED POSSESSIONS OF OUR PEOPLE, AMERICAN CITIZENSHIP, MUST NOW BE IMPLEMENTED.

THE BIPARTISAN EFFORT THAT WENT INTO ENACTING THIS LAW MUST CONTINUE. THE DEPARTMENT HAS UNDERTAKEN A VIGOROUS EFFORT TO IMPLEMENT THE PROVISIONS OF THE ACT. PART OF THESE EFFORTS HAVE BEEN DIRECTED AT DETERMINING THE APPROPRIATE LEVEL OF RESOURCES NEEDED TO FUND THIS RESPONSIBILITY. WE APPRECIATE THE SUBCOMMITTEE'S PROMPT RESPONSE TO OUR SUPPLEMENTAL REQUESTS, NOT ONLY IN THIS AREA, BUT IN OUR OTHER CRITICAL NEEDS.

WE ARE ALL VERY MUCH AWARE THAT THE ACT IMPOSED SIGNIFICANT NEW RESPONSIBILITIES ON THE IMMIGRATION AND NATURALIZATION SERVICE, THE EXECUTIVE OFFICE FOR IMMIGRATION REVIEW, AND THE CIVIL DIVISION. OUR REQUESTS RELATE DIRECTLY TO THE REFORMS OF THE ACT AND THE NEED TO ENSURE EFFECTIVE ENFORCEMENT. EMPLOYER SANCTIONS, THE AGRICULTURAL WORKER PROGRAM, IMPROVED VIGILANCE AT THE BORDER, VIGOROUS PURSUIT OF FRAUD IN CONNECTION WITH THE LEGALIZATION AND EMPLOYER SANCTION PROGRAMS AND THE EXPEDITIOUS

DEPORTATION OF CRIMINAL ALIENS ARE ALL AREAS WHERE WE ARE IN NEED OF SUBSTANTIAL RESOURCES.

THE BULK OF THE SUPPLEMENTAL APPROPRIATION REQUEST IS SPREAD ACROSS THESE ENFORCEMENT ACTIVITIES. EFFECTIVE IMPLEMENTATION OF THE EMPLOYER SANCTION PROVISIONS SHOULD REDUCE THE JOB MAGNET OF ILLEGAL IMMIGRATION. SIMILARLY, WE PROPOSE A SUBSTANTIAL AUGMENTATION OF THE BORDER PATROL AND THE IMPLEMENTATION OF PROGRAMS TO REDUCE FRAUDULENT THE USE OF ENTITLEMENT AND OTHER BENEFITS BY ILLEGAL ALIENS. OTHER ENFORCEMENT INITIATIVES ARE TARGETED AT ALIENS ENGAGED IN CRIMINAL ACTIVITIES AND AT EXPEDITING THE ENTRY OF CERTAIN CATEGORIES OF NON-IMMIGRANTS FROM SELECTED COUNTRIES. THE SPECIAL AGRICULTURAL WORKER PROGRAM WOULD ALLOW AGRICULTURAL PRODUCERS TO USE TEMPORARY WORKERS WHO COULD QUALIFY FOR TEMPORARY RESIDENT STATUS.

THE ACT ALSO REQUIRES THE DEPARTMENT TO ESTABLISH A SPECIAL COUNSEL FOR IMMIGRATION-RELATED UNFAIR EMPLOYMENT PRACTICES. THE SPECIAL COUNSEL WILL RECEIVE CHARGES OF UNFAIR PRACTICES FILED BY PRIVATE INDIVIDUALS OR OFFICERS OF THE IMMIGRATION AND NATURALIZATION SERVICE. THE SPECIAL COUNSEL WILL BE OBLIGATED TO DETERMINE WHETHER THE CHARGES WARRANT THE FILING OF AN ADMINISTRATIVE COMPLAINT. AN ADMINISTRATIVE HEARING MAY BE SOUGHT BY THE SPECIAL COUNSEL FOR THE PURPOSES OF SEEKING INJUNCTIVE RELIEF, BACK PAY OR CIVIL MONETARY PENALTIES. THE DEPARTMENT IS MOVING TO ESTABLISH THE STRUCTURE OF THE OFFICE OF SPECIAL COUNSEL.

WE ARE AWARE OF OUR OBLIGATIONS WITH RESPECT TO THE OFFICE OF SPECIAL COUNSEL. THE ESTABLISHMENT OF THE OFFICE EMANATED FROM A CONCERN THAT THE NEW EMPLOYER SANCTION PROVISIONS CREATE AN OPPORTUNITY FOR EMPLOYERS, IN ORDER TO AVOID SANCTIONS, TO DISCRIMINATE AGAINST THOSE WHO APPEAR TO HAVE FOREIGN ORIGINS. THE DIVERSITY OF THIS NATION'S PEOPLE IS ONE OF ITS STRENGTHS. THERE IS NO EXCUSE FOR AN EMPLOYER TO DISCRIMINATE AND DENY EMPLOYMENT TO THOSE ENTITLED TO IT MERELY TO AVOID THE POSSIBILITY OF SANCTIONS. THE RESPONSIBILITIES OF THE OFFICE WILL BE VIGOROUSLY PURSUED.

THE SUPPLEMENTAL REQUESTS FOR THESE ACTIVITIES TOTAL $145,961,000. THE REQUESTED FUNDS WOULD PROVIDE 4,559 POSITIONS IN 1987. NEARLY 95 PERCENT OF THESE RESOURCES WILL BE USED BY THE IMMIGRATION AND NATURALIZATION SERVICE. ANOTHER INITIATIVE OF THE NEW LEGISLATION, LEGALIZATION OF ELIGIBLE ILLEGAL ALIENS, WILL, AS PROVIDED IN THE ACT, BE FINANCED FROM FEES COLLECTED FROM PERSONS APPLYING FOR TEMPORARY RESIDENCE STATUS.

THE ONGOING EFFORTS WE HAVE TAKEN TO IMPLEMENT THE ACT CAN ONLY BE SUSTAINED BY SUPPLEMENTAL RESOURCES FOR 1987. THE CONSTRUCTION OF NEW FACILITIES AND THE HIRING AND TRAINING OF ADDITIONAL BORDER PATROL MEMBERS TO INCREASE OUR VIGILANCE AT THE BORDER, THE CONTINUATION OF OUR EDUCATIONAL EFFORTS UNDER THE ACT, THE ACQUISITION OF DATA AND COMMUNICATION SYSTEMS TO SUPPORT THE NEW PROGRAMS AND THE HIRING OF PERSONNEL TO STAFF THESE PROGRAMS, MUST NOW TAKE PLACE. WE URGE THE SUBCOMMITTEE TO GIVE EXPEDITIOUS AND FAVORABLE CONSIDERATION TO OUR REQUESTS.

BANKRUPTCY TRUSTEES

THE ENACTMENT OF THE BANKRUPTCY JUDGES, UNITED STATES TRUSTEES, AND FAMILY FARM BANKRUPTCY ACT OF 1986 FULFILLED ONE OF THE PRIMARY GOALS OF THE BANKRUPTCY REFORM ACT OF 1978. BY EXPANDING THE U.S. TRUSTEE PROGRAM TO A NATIONWIDE STATUS, CONGRESS ACTED TO SEVER FROM THE JUDICIAL FUNCTION THE DUTY OF ADMINISTERING BANKRUPT ESTATES. THIS AWKWARD CIRCUMSTANCE OFTEN BROUGHT CHARGES OF FAVORITISM AND BIAS. THE ENTIRE BANKRUPTCY SYSTEM SUFFERED FROM THIS SITUATION.

THE U.S. TRUSTEES WILL BE RESPONSIBLE ON A NATIONWIDE BASIS FOR SUCH MATTERS AS ENSURING PAYMENT OF WITHHOLDING AND OTHER TAXES BY BANKRUPT DEBTORS, ORGANIZING AND SCHEDULING MEETINGS OF CREDITORS, MONITORING THE FILING OF REPORTS AND SCHEDULES, AND APPOINTING INDIVIDUALS TO SERVE AS PRIVATE TRUSTEES. MOST SIGNIFICANTLY, THE U.S. TRUSTEES HAVE IMPORTANT OVERSIGHT RESPONSIBILITIES IN PREVENTING FRAUD AND OTHER ABUSES IN THE BANKRUPTCY SYSTEM.

THE U.S. TRUSTEE PROGRAM MUST NOW EXPAND FROM ITS PRESENCE IN 18 FEDERAL JUDICIAL DISTRICTS TO ASSUMING RESPONSIBILITY FOR BANKRUPTCY ADMINISTRATION IN 11 REGIONS ENCOMPASSING 49 JUDICIAL DISTRICTS BY AUGUST 23, 1987. THE ACT CREATED 21 BANKRUPTCY REGIONS ENCOMPASSING ALL 94 JUDICIAL DISTRICTS OF THE UNITED STATES. ANOTHER 39 DISTRICTS WILL JOIN THE PROGRAM BY NOVEMBER 26, 1988, WHILE THE REMAINING 6 DISTRICTS HAVE FIVE YEARS BEFORE THEY MUST BE BROUGHT UNDER THE PROGRAM. THESE DISTRICTS MAY ELECT TO JOIN AS EARLY AS THIS AUGUST.

THE ACT ESTABLISHED NEW AND HIGHER FEES AND CHARGES IN BANKRUPTCY CASES AND MADE PROVISION THAT PART OF THESE FEES SHALL BE CREDITED TO A NEW "U.S. TRUSTEE SYSTEM FUND" WHICH WILL REPLACE THE PRESENT "OVERSIGHT OF BANKRUPTCY CASES" APPROPRIATION. THIS FUND, HOWEVER, WILL NOT BE ABLE TO FULFILL ITS PURPOSE OF FINANCING U.S. TRUSTEE OPERATIONS UNTIL 1989. THE SUPPLEMENTAL REQUEST FOR $16,993,000 IN 1987 PROVIDES FOR 377 NEW POSITIONS AND 123 WORKYEARS TO COVER THE FIRST PHASES OF THE NATIONWIDE EXPANSION. THESE FUNDS INCLUDE RESOURCES FOR THE GENERAL ADMINISTRATION APPROPRIATION FOR ITS EFFORTS IN SUPPORT OF THE U.S. TRUSTEE PROGRAM. ADDITIONAL RESOURCES ARE REQUESTED IN 1988 TO BRING THE PROGRAM TO NATIONWIDE COVERAGE.

WITH THE DEPARTMENT'S SUPPORT, CONGRESS HAS CONCLUDED THAT THE U.S. TRUSTEE PROGRAM IS SUCCESSFUL AND SHOULD BE ESTABLISHED NATIONWIDE. THE PROGRAM HAS IMPROVED THE SPEED AND EFFICIENCY OF BANKRUPTCY PROCEEDINGS, INCREASED THE LIKELIHOOD OF SUCCESSFULLY REHABILITATING DEBTORS, AND APPEARS TO INCREASE THE RECOVERIES OF CREDITORS. WITH OTHER COMPONENTS OF THE DEPARTMENT, IT WILL MAKE SIGNIFICANT EFFORTS IN UNCOVERING FRAUD. OVERALL, THE BANKRUPTCY SYSTEM'S INTEGRITY WILL BE ENHANCED. WE ARE COMMITTED TO A VIGOROUS U.S. TRUSTEE PROGRAM. THE ESTABLISHMENT OF THE NEW OFFICES REQUIRED BY THE EXPANDED PROGRAM AND THE HIRING OF STAFF TO SUPPORT THESE OFFICES, HOWEVER, CANNOT BE FULLY IMPLEMENTED UNTIL ADDITIONAL RESOURCES ARE PROVIDED.

THE NEED TO ACT EXPEDITIOUSLY ON THIS SUPPLEMENTAL REQUEST IS GREAT. THE PILOT PROGRAM APPROPRIATION FOR 1987 IS RELATIVELY

SMALL. UNDER THESE CIRCUMSTANCES, THERE IS A SMALL BASE AGAINST WHICH EXPANSION COSTS CAN BE ABSORBED PENDING ENACTMENT OF A SUPPLEMENTAL APPROPRIATION. ANY SIGNIFICANT DELAY WILL SUBSTANTIALLY DISRUPT THE PROGRAM.

FEDERAL EMPLOYEES' RETIREMENT SYSTEM

OVER THE LAST SEVERAL YEARS, CONGRESS CONSIDERED A NUMBER OF PROPOSALS TO PHASE OUT THE EXISTING CIVIL SERVICE RETIREMENT SYSTEM AND OFFER A NEW SYSTEM THAT IS MORE FLEXIBLE AND COMPARABLE TO PLANS OFFERED IN THE PRIVATE SECTOR. THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM ACT OF 1986 REPRESENTS THE CULMINATION OF THIS EFFORT. THE PROVISIONS OF THE NEW ACT ARE MANDATORY FOR ALL EMPLOYEES HIRED AFTER DECEMBER 31, 1983. MANY CURRENT EMPLOYEES HAVE THE OPTION OF JOINING THE NEW PROGRAM AND WE BELIEVE MANY WILL DO SO, PARTICULARLY LAW ENFORCEMENT PERSONNEL WHO ARE ELIGIBLE FOR SPECIAL BENEFITS UNDER THE NEW SYSTEM. AGENCY COSTS ARE DISPROPORTIONATELY HIGH FOR LAW ENFORCEMENT PERSONNEL CHIEFLY BECAUSE OF THE EARLY RETIREMENT PROVISIONS AND BECAUSE ANY SHORTFALLS IN FUNDING MUST BE BORNE BY AGENCIES INSTEAD OF THE OFFICE OF PERSONNEL MANAGEMENT. THE OVERALL NET INCREASE TO FINANCE 1987 COSTS OF THE NEW SYSTEM IN THE DEPARTMENT IS $68,651,000.

OTHER LEGISLATIVE ENACTMENTS

DURING THE 99TH CONGRESS, IMPORTANT LEGISLATION WAS ENACTED TO ASSIST OUR EFFORTS AGAINST THOSE WHO ATTEMPT TO DEFRAUD THE GOVERNMENT. THE FALSE CLAIMS ACT AMENDMENTS, THE PROGRAM FRAUD CIVIL REMEDIES ACT OF 1986, AND THE ANTI-KICKBACK ACT OF 1986

DEMONSTRATE THE ADDITIONAL LITIGATION ARSENAL NOW AVAILABLE AGAINST SUCH CONDUCT. MOST APPROPRIATELY, OUR EFFORTS WILL CONTINUE TO FOCUS ON PROCUREMENT FRAUD, PARTICULARLY IN THE DEFENSE INDUSTRY. THE ENACTMENT OF THESE NEW LAWS IMPOSES ADDITIONAL INVESTIGATIVE AND LITIGATION DEMANDS ON THE DEPARTMENT. AN ADDITIONAL $640,000 WOULD PERMIT FILLING 21 CIVIL DIVISION POSITIONS TO MEET OUR NEW RESPONSIBILITIES.

AT THE END OF THE 99TH CONGRESS, THE ATTORNEY GENERAL WAS AUTHORIZED TO RETAIN PRIVATE COUNSEL IN FIVE DISTRICTS FOR THE COLLECTION OF DEBTS. WE REQUEST $2,234,000 TO GET THIS DEBT COLLECTION PROGRAM STARTED. MOST OF THESE FUNDS WILL BE USED TO PAY THE LITIGATION COSTS--FILING FEES, SERVICE OF PROCESS FEES AND FEES TO RECORD LIENS--WHICH THE PRIVATE COUNSEL EXPECT TO INCUR, AND TO CONTRACT FOR A SYSTEM TO TRACK CASES REFERRED TO PRIVATE COUNSEL AND THE PAYMENTS THEY COLLECT. THE FEDERAL GOVERNMENT MUST VIGOROUSLY PURSUE AMOUNTS OWED TO IT. WE THINK THAT THIS INVESTMENT WILL HAVE SUBSTANTIAL RETURNS OF UP TO $91 MILLION.

PAY INCREASE

ANOTHER SIGNIFICANT COMPONENT OF THE SUPPLEMENTAL IS THE $29,476,000 TO FUND THE JANUARY 1987 PAY INCREASE OF THREE PERCENT. THE TOTAL COST OF THE PAY RAISE IS ESTIMATED AT ALMOST $60 MILLION. WE HAVE ALREADY ABSORBED MORE THAN HALF OF THE COSTS. FAILURE TO PROVIDE SUPPLEMENTAL FUNDING IN THIS AREA WILL ENCROACH UPON OUR ABILITY TO FUND NEWLY AUTHORIZED POSITIONS FULLY IN SEVERAL IMPORTANT AREAS, INCLUDING THE WAR AGAINST

DRUGS. THE SUPPLEMENTAL DOES NOT INCLUDE ANY FUNDS FOR THE EXECUTIVE PAY RAISES THAT RECENTLY WENT INTO EFFECT.

RELOCATION AND SPACE COSTS

BECAUSE THE PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION WILL SOON DEMOLISH THE FEDERAL TRIANGLE BUILDING, MUCH OF THE CRIMINAL DIVISION WILL BE REQUIRED TO MOVE IN THE NEXT FEW MONTHS. THE COST OF RELOCATING THE EMPLOYEES INVOLVED AND THE HIGHER RENT FOR THE NEWLY ACQUIRED BOND BUILDING ACCOUNTS FOR OUR $3,264,000 REQUEST. THE BOND BUILDING CONTAINS SUFFICIENT ADDITIONAL SPACE TO PERMIT THE DEPARTMENT TO HOUSE SEVERAL CRIMINAL DIVISION COMPONENTS, THUS CONSOLIDATING THE DIVISION'S WASHINGTON, D.C. PERSONNEL IN TWO BUILDINGS, MAIN JUSTICE AND THE BOND BUILDING. IN ADDITION, THE FEDERAL BUREAU OF INVESTIGATION HAS DETERMINED THAT THE 1987 ESTIMATE FOR RENTAL OF SPACE WAS SHORT BY $2,000,000. SIMILARLY, A NEED FOR $1,180,000 FOR THE GENERAL ADMINISTRATION APPROPRIATION TO PAY RENT FOR SPACE HAS BEEN IDENTIFIED.

FEDERAL TELECOMMUNICATIONS SYSTEM

THIS PAST SUMMER, THE GENERAL SERVICES ADMINISTRATION NOTIFIED THE DEPARTMENT THAT FEDERAL TELECOMMUNICATION SYSTEM CHARGES WOULD BE 16 PERCENT HIGHER THAN THE ESTIMATES USED IN THE 1987 BUDGET. THE TOTAL COST INCREASE OF $6,272,000 IS DISTRIBUTED ACROSS 12 OF OUR APPROPRIATIONS.

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HOUSING OF FEDERAL PRISONERS

WE CONTINUE TO CONFRONT SUBSTANTIAL PROBLEMS HOUSING CRIMINAL MARIEL CUBAN ENTRANTS WHO WE HAVE NOT BEEN ABLE TO RETURN TO CUBA. BASIC PUBLIC SAFETY RESPONSIBILITIES LEAVE US NO ALTERNATIVE IN THIS AREA. THE 1987 BUDGET DID NOT PROVIDE SUFFICIENT FUNDING FOR DETENTION OF THESE PRISONERS WHO ARE BEING RETURNED TO OUR CUSTODY ONCE THEY HAVE SERVED SENTENCES FOR VIOLATION OF STATE LAWS. EXISTING FACILITIES OF THE DEPARTMENT DESIGNATED FOR MARIEL CUBANS ARE ALREADY OVERFLOWING AND THE LOW SECURITY CHARACTERISTICS OF MOST OTHER INS DETENTION FACILITIES PRECLUDE FURTHER USE OF MARIEL CUBANS. THE SUPPLEMENTAL REQUEST INCLUDES $9,000,000 FOR THE IMMIGRATION AND NATURALIZATION SERVICE TO ADDRESS THIS SERIOUS PROBLEM BY USING THE FUNDS TO CONTRACT WITH STATE PRISON SYSTEMS TO HOUSE MARIEL CUBANS RETURNED TO THE CUSTODY OF THE ATTORNEY GENERAL.

THE MARSHALS SERVICE HAS SIMILAR URGENT NEEDS TO INCREASE ITS CAPACITY FOR HOUSING UNSENTENCED FEDERAL PRISONERS. THE NUMBER OF PRISONERS HELD HAS INCREASED BEYOND EXPECTATIONS BECAUSE OF THE BAIL REFORM PROVISIONS OF THE COMPREHENSIVE CRIME CONTROL ACT AND BECAUSE OF THE INCREASED TIME THAT PRISONERS ARE HELD IN CUSTODY. THE NEED IS A RESULT OF AGGRESSIVE INVESTIGATION AND PROSECUTION EFFORTS THAT HAVE LED TO INDICTMENTS. FURTHER COST INCREASES ARE DUE TO THE MOVEMENT OF PRISONERS FROM FEDERAL PRISON FACILITIES TO LOCAL JAILS AS A RESULT OF PAST INVESTMENTS IN THOSE JAILS UNDER THE COOPERATIVE

AGREEMENT PROGRAM. THE SUPPLEMENTAL REQUIREMENTS FOR THE SUPPORT OF U.S. PRISONERS APPROPRIATION IS $9,630,000.

INDEPENDENT COUNSEL

AS YOU KNOW, THE DEPARTMENT CANNOT CONTROL THE EXPENDITURES RELATED TO THE INDEPENDENT COUNSEL. THE LARGE NUMBER OF INDEPENDENT COUNSEL NOW OPERATING MAKES IT CERTAIN THAT THE $1,000,000 IDENTIFIED IN THE 1987 APPROPRIATION FOR THIS PURPOSE WILL BE INADEQUATE. WE SEEK AN ADDITIONAL $2,000,000 FOR THE ANTICIPATED EXPENSES RELATED TO THE INDEPENDENT COUNSEL INVESTIGATIONS. THESE FUNDS ARE PROPOSED TO BE AVAILABLE UNTIL EXPENDED.

NATIONAL SECURITY

OUR CONCERN OVER NATIONAL SECURITY IS EVIDENCED BY TWO REQUESTS TOTALLING $670,000. THE REQUESTS RELATE TO A NEED TO MAKE IMPROVEMENTS IN SEVERAL FOCUSED AREAS. FOR THE GENERAL ADMINISTRATION APPROPRIATION, RESOURCES ARE REQUESTED TO SUPPORT 12 POSITIONS THAT WILL ENHANCE THE OVERALL SECURITY OF THE MAIN JUSTICE BUILDING, STAFF AND OPERATE THE DEPARTMENT'S CRISIS MANAGEMENT FACILITY, AND SUPPORT THE NATIONAL SECURITY EMERGENCY PREPAREDNESS PROGRAM.

REAPPROPRIATION FOR FBI

THE REQUEST ALSO INCLUDES A TECHNICAL REQUEST TO REAPPROPRIATE $5,686,000 FOR THE FBI TO EXTEND THE AVAILABILITY OF UNOBLIGATED BALANCES TO FINANCE A PREVIOUSLY FUNDED CLASSIFIED PROJECT. WE ARE PROVIDING FURTHER INFORMATION REGARDING THIS

MATTER UNDER THE PROCEDURES REGARDING THE CONSIDERATION OF CLASSIFIED INFORMATION.

CONCLUSION

THE CHALLENGE BEFORE THE DEPARTMENT IN IMPLEMENTING THE MAJOR LEGISLATIVE INITIATIVES ENACTED BY THE 99TH CONGRESS IS GREAT. IT IS SYMBOLIZED NOT ONLY BY THE SIZE OF OUR REQUEST, BUT ALSO BY THE NEED FOR EXPEDITIOUS CONSIDERATION. WE TAKE ALL THESE NEW RESPONSIBILITIES QUITE SERIOUSLY. WE SEEK YOUR ASSISTANCE IN MEETING THESE CHALLENGES. WE URGE PROMPT AND FAVORABLE CONSIDERATION OF OUR REQUESTS.

BIOGRAPHY OF ARNOLD I. BURNS

Arnold I. Burns was sworn in as Deputy Attorney General of the United States on July 24, 1986. Prior to that appointment he served as Associate Attorney General, the third ranking post in the Department, beginning January 6, 1986.

From 1960 through 1985, Mr. Burns was the senior partner and Chairman of the Management Committee of the Park Avenue firm of Burns, Summit, Rovin & Feldesman. He practiced law for this firm, which he founded in 1960. Previously, he served for three years as an associate with the New York firm of Dewey, Ballantine, Bushby, Palmer, & Wood. His principal legal work has been in the corporate and securities field, including litigation and negotiation of mergers and acquisitions.

Arnold I. Burns was born in New York City on April 14, 1930. He received his B.A. degree from Union College, Schenectady, New York in 1950 and his J.D. from Cornell in 1953 where he was named to the Order of the Coif. Before entering private practice of law, he served as a captain in the U.S. Army, where he was a member of the Government Appellate Division of the Judge Advocate General's Corps and argued cases in the U.S. Court of Military Appeals.

Mr. Burns is married and has two children. He is a member of the American Bar Association, the New York State Bar Association, the Association of the Bar of the City of New York, and the Cornell Law Association.

1987 SUPPLEMENTAL REQUESTS

Mr. BURNS. Thank you. Good afternoon, Mr. Chairman and members of the Committee. This is my maiden voyage before the subcommittee. I am delighted to be here with you to discuss the Department's supplemental appropriation requirements for 1987.

NEW LEGISLATION REQUIREMENTS

Our request is for an aggregate of a little over $300 million. This falls into three categories. First, the lion's share, over $230 million, or seventy-six percent, to fund our new responsibilities under legislation passed at the tail end of the last Congress. I am referring to the Immigration Reform and Control Act, $146 million; the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act, $17 million; Federal Employees Retirement System Act, over $68 million; and an aggregate of approximately $2.2 million to fund private counsel for debt collection; Civil fraud statutes, $640,000; and Independent Counsel, $2 million.

REQUIREMENTS FOR UNCONTROLLABLE INCREASES

That is the first category, the new legislation.

The second category: to fund our uncontrollable expenses aggregating over $40 million, which includes the January 1987 pay raise, $29.5 million; a move of our Criminal Division out of the Federal Triangle Building into the Bond Building, $3,264,000; General Services Administration rent increases involving $3,180,000; and an FTS surcharge of $6,272,000.

Our third category involves over $20 million for prior programs. That includes $9 million to house Mariel Cubans; $5,686,000 for an FBI classified project; and some $9,630,000 for the support of unsentenced United States prisoners.

IMMIGRATION REFORM

I would like to take a minute or two to talk about immigration reform, if I may, Mr. Chairman.

The Immigration Reform and Control Act was the product of one of the longest and most difficult legislative undertakings in recent

memory. Its goal is to seize control over and to address successfully the substantial problem of illegal immigration plaguing us, to regain control of our borders.

At the same time, it seeks to uphold the immigration tradition of the United States, the firm and fair enforcement of laws designed to encourage the continued flow of legal immigrants. The comprehensive reforms of the Act must now be implemented. The bipartisan effort that went into enacting this law must continue. The Department has undertaken a vigorous effort to implement the provisions of the Act. Part of these efforts have been directed at determining the appropriate level of resources needed to fund the very substantial responsibility.

We are all very much aware that the Act imposed significant new responsibilities on INS, the Executive Office for Immigration Review, and the Civil Division. Our requests relate directly to the reforms of the Act and the need to ensure effective enforcement. Employer sanctions, the agricultural workers special program, improved vigilance at our border, vigorous pursuit of fraud in connection with the legalization and employer sanction programs, and the expeditious deportation of criminal aliens are all areas where we are in need of substantial resources.

The bulk of the supplemental appropriation request is spread across these enforcement activities. Effective implementation of the employer sanction provisions should reduce the enormous job magnet which attracts illegal immigration. Similarly, we propose a substantial augmentation of the Border Patrol and the implementation of programs to reduce the fraudulent use of entitlement and other benefits by illegal aliens.

Other enforcement initiatives are targeted at aliens engaged in criminal activities and at expediting the entry of certain categories of nonimmigrants from selected countries. The special agricultural workers program would allow agricultural producers to use temporary workers who could qualify for temporary resident status.

The Act also requires the Department to establish a Special Counsel for Immigration, for immigration-related unfair employment practices. The Special Counsel will receive charges of unfair practices filed by private individuals or officers of INS. This will happen all over the country. An administrative hearing may be sought by the Special Counsel for the purpose of seeking injunctive relief, back pay, or civil monetary damages.

The establishment of the Office of Special Counsel emanated from a concern that the new employer sanctions provisions might create an opportunity for employers, in order to avoid sanctions, to discriminate against those who appear to have foreign origins. The diversity of this Nation's people is one of its strengths. There is no excuse for an employer to discriminate and deny employment to those entitled to it merely to play it safe and to avoid the possibility of sanctions. The responsibilities of the office will be vigorously pursued.

Now, as I said, the supplemental requests for these activities total $145,961,000. The requested funds would provide 4,559 positions in 1987. Nearly ninety-five percent of these resources will be used by the Immigration and Naturalization Service.

Another initiative of the new legislation, legalization of eligible illegal aliens will, as provided in the Act, be financed from fees collected from persons applying for temporary residence status.

The ongoing efforts we have taken to implement the Act can only be sustained by supplemental resources in 1987.

Now, I have sitting with me the Commissioner of the Immigration and Naturalization Service, someone whom you all know, Al Nelson, who is by my side to make sure I do not make any mistakes in connection with this subject matter.

How am I doing so far? [Laughter]

UNITED STATES TRUSTEE NATIONWIDE EXPANSION

Mr. BURNS. I want to turn now to our Bankruptcy Trustee Program. As this subcommittee well knows, because it was instrumental in keeping this legislation alive, the enactment of the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 fulfilled one of the primary goals of the Bankruptcy Reform Act of 1978. By expanding the U.S. Trustee Program from a pilot program to nationwide status, Congress acted to sever from the judicial function the duty of administering bankrupt estates and to provide a watchdog over bankruptcy practice nationwide.

The U.S. Trustees will be responsible for such matters as ensuring payment of withholding and other taxes by bankrupt debtors, organizing and scheduling meetings of creditors, monitoring the filing of reports and schedules, and appointing individuals to serve as private trustees. Most significantly, the U.S. Trustees have important oversight responsibilities in preventing fraud and other abuses throughout the bankruptcy system.

The U.S. Trustee Program must now expand from its presence in eighteen Federal judicial districts today, to assuming responsibility for bankruptcy administration in eleven regions encompassing forty-nine judicial districts by August 23, 1987.

The Act created twenty-one bankruptcy regions encompassing all ninety-four judicial districts of the United States. Another thirty-nine districts will join the program by November 26, 1988, while the remaining six districts have five years before they must be brought under the program. These districts may opt to join as early as this coming August, August of 1987.

Now, the Act establishes new and higher fees and charges in bankruptcy cases, and it made provision that part of these fees shall be credited to a new U.S. Trustee System Fund. This fund, however, will not be able to fulfill its purpose of financing U.S. Trustee operations until 1989. The supplemental request for $16,993,000 in 1987 provides for 377 new positions and 123 work-years, to cover the first phase of the nationwide expansion. These funds include resources for the General Administration appropriation for its efforts in support of the U.S. Trustee Program.

Additional resources are requested in 1988 to bring the program to nationwide coverage. I repeat, these monies in 1987 and 1988 are monies designed to prime the pump. In 1989 we expect this program to be self-sustaining.

With the Department's support, Congress has concluded that the U.S. Trustee Program has been successful in the pilot districts and it must go nationwide. This program has improved the speed and efficiency of bankruptcy proceedings, increased the likelihood of successfully rehabilitating debtors, and it appears to increase the recoveries that go to creditors and are realized by creditors.

With other components of the Department, it will make significant efforts in uncovering fraud. Overall, the bankruptcy system's integrity will be enhanced. We are confident of that. We are committed to a vigorous U.S. Trustee Program. The establishment of the new offices required by the expanded program and the hiring of staff to support these offices cannot be fully implemented, as I have said, until we get additional resources.

We want this program to go forward without any disruption, and that is why we are asking for the additional monies. I have sitting on my left Tom Stanton, who is the director of our United States Trustee Program.

FEDERAL EMPLOYEES RETIREMENT SYSTEM ACT

Now, the provisions of the Federal Employees Retirement System Act of 1986 are mandatory for all employees hired after December 31, 1983. Many current employees have the option of joining the new program, and we believe many will do so, particularly law enforcement personnel who are eligible for special benefits under the new system. The overall net increase to finance 1987 costs of the new system in the Department is, as I have said, $68,651,000.

FRAUD ACTIVITY

Mr. Chairman, during the 99th Congress important legislation was also enacted to assist our efforts against those who attempt to defraud the United States Government. The False Claims Act amendments, the Program Fraud Civil Remedies Act of 1986, and the Anti-Kickback Act of 1986 demonstrate the additional litigation arsenal now available against such fraudulent conduct.

Most appropriately, our efforts will continue to focus on procurement fraud, particularly in the defense industry. The enactment of these new laws imposes additional investigative and litigative demands on the Department. An additional $640,000 would permit filling twenty-one Civil Division positions to meet our new responsibilities.

DEBT COLLECTION ACTIVITY

At the end of the 99th Congress, the Attorney General was authorized to retain private counsel in five districts for the collection of debt. This is a pilot program; this is an experimental program. We request $2,234,000 to get this pilot program underway. Most of these funds will be used to pay the litigation costs, filing fees, service of process fees, and fees to record liens which the private counsel expect to incur, and to contract also for a system to track cases referred to private counsel and to track the payments that they actually collect.

The Federal Government must vigorously pursue amounts owed to it, and pursue the deadbeats that owe the United States Government money. We think that this investment will have substantial returns of up to $91 million. But in all candor, the proof of the pudding will be its tasting. We will have to see how this works.

MARIEL CUBAN DETENTION

I want you to know that we continue to confront substantial problems housing criminal Mariel Cuban entrants who have not been able to return to Cuba. Basic public safety responsibilities leave us no alternative in this area. The 1987 budget did not provide sufficient funding for detention of these prisoners who are being returned to our custody once they have served sentences in State prisons for violation of State laws. As their sentences conclude, they keep entering our Federal prison system. Existing facilities of the Department designated for Mariel Cubans are already overflowing, and the low security characteristics of most of our INS detention facilities preclude the housing of Mariel Cubans. These are a bunch of tough characters.

The supplemental request includes $9 million for the Immigration and Naturalization Service to address this serious problem by using the funds to contract with State prison systems to house Mariel Cubans returned to the custody of the Attorney General.

HOUSING, UNSENTENCED PRISONERS

The U.S. Marshal Service similarly has urgent needs to increase their capacity for housing unsentenced Federal prisoners. The number of prisoners held has increased beyond expectations because of the bail reform provisions of the Comprehensive Crime Control Act and because of the increased time that prisoners are held in custody. The need is a result of aggressive investigation and prosecution efforts that have led to indictments.

Further cost increases are due to the movement of prisoners from Federal prison facilities to local jails as a result of past investments in those jails under the Cooperative Agreement Program. The supplemental requirements for the support of U.S. Prisoners appropriation is $9,630,000.

Mr. Chairman, members of the committee, the challenge before the Department of Justice in implementing the major legislative initiatives enacted by the 99th Congress is great. It is symbolized not only by the size of our request, but also by the need for expeditious consideration. We take all the new responsibilities quite seriously. We seek your assistance in meeting these challenges. We respectfully urge prompt and favorable consideration of all our requests.

Thank you so very much, Mr. Chairman.

IMMIGRATION REFORM AND CONTROL ACT

Mr. SMITH. In general terms, why is it that an act that is supposed to make it easier to enforce the immigration laws ends up requiring more people?

Mr. BURNS. Well, this Immigration Act—and I tried to make this point in my statement-in-brief—is very complicated. The first thing

that this immigration law is intended to do is to try to seal off our borders. That requires enormous increases in enforcement personnel in border control.

This Immigration Act has something brand-new: an agricultural workers program, to bring agricultural workers here who can then claim temporary residence and, ultimately, citizenship. That is a whole new system that has got to be set up and established. Something entirely new is a system which will involve counsel and judges and rules and regulations and personnel to see to it that aliens who are here legally are not discriminated against.

There is a whole new system involving sanctions against employers, for the first time, sanctions against employers who hire illegal aliens. There are all kinds of recordkeeping requirements. Again, there is an administrative procedure for complaints. There will be litigation involving this.

So, to answer your question with some precision, Mr. Chairman, this is really a magnum change in our law, a magnum change in the system that we will have to organize and monitor and the resource requirements are enormous.

FREE CIRCULATION OF ILLEGAL ALIENS

Mr. SMITH. Well, I have been down there on the border and gone with them in the helicopter and seen the illegals, many of whom had been in several times before. They would put the spotlight on them and then the vans that pull up. They don't try to run or anything because they know all it means is they're going to go in, get a meal and be taken back, and then they come back the next night.

My understanding was, that with sanctions, they will not want to come in, because there will be no job for them. It seems to me that the answer should be that there will be a shift in personnel. There should not be as much of a need to stand there and watch the border as there was before, but there will be more enforcement back in the country. I don't know how that relates and what kind of a shift this amounts to.

On a net basis, will there be an increase or are we just talking about an increase in some departments and not in others? Both of you may want to answer this question.

Mr. BURNS. I will just say this, that Congress, in enacting this legislation and in authorizing funds for it, realized that we will not know for some time to come whether or not the very desirable scenario which you have outlined will come to pass.

We expect that, yes, this magnet of which I spoke will be turned off and fewer people will come. But notwithstanding, we expect enormous pressures, continued and heightened pressures, on our border, particularly our southern border. We are now beginning to see it up on our northern border. The Act itself which was passed by the Congress speaks specifically of enhanced enforcement measures.

Al, would you like to comment on what I said?

Mr. NELSON. Yes, Mr. Chairman, again it is a pleasure to be before you and Mr. Rogers. I might ask that the statement we have prepared for the INS portion of this request also be submitted for the record. I think the Deputy Attorney General has covered most

of the points, so I won't go into it. Again, I think Mr. Burns covered it well.

Mr. SMITH. Fine.

[The statement of Mr. Nelson follows:]

DEPARTMENT OF JUSTICE

SUPPLEMENTAL APPROPRIATIONS

IMMIGRATION AND NATURALIZATION SERVICE
STATEMENT OF THE COMMISSIONER
ALAN C. NELSON
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE,
THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before you in support of a major program enhancement for the Immigration and Naturalization Service. Before discussing the details of that enhancement, let me give you an overview of our funding for fiscal year 1987. We began the year with a Continuing Resolution appropriation of $593,000,000. The Administration is requesting supplemental appropriations of $137,843,000 for enhanced enforcement programs and the Special Agricultural Workers program authorized by the Immigration Reform and Control Act, $9,000,000 for the detention of Mariel Cuban criminals, $11,136,000 for increased costs of the Federal Employee's Retirement System and uncontrollable FTS increases, and $5,588,000 for the Federal pay raise that takes effect in January of this year. These amounts are reduced by a $24,598,000 rescission proposal to offset certain costs previously funded through appropriations that will now be paid for with inspections user fees. The result is an appropriation of $731,969,000 in this fiscal year. This will be augmented by reimbursements from fees paid by applicants who register under the Legalization program in fiscal year 1987. Obligations

for the Legalization program are expected to total $148,540,000 in 1987, of which $125,241,000 will be incurred by INS and $23,299,000 will be incurred by the Federal Bureau of Investigation. As such, INS' resource availability will increased by $125,241,000 from Legalization receipts and by $70,389,000 to be drawn from the inspections user fee account to pay associated INS expenses. Thus the total amount of program funds available to the agency will be $927,599,000 in 1987--a 56 percent increase over the initial Continuing Resolution.

In a few weeks I will be appearing before you in support of our FY 1988 budget request which involves total spending authority of $1.057 billion for the year, computed by counting only those Legalization reimbursements expected to be obligated by INS. This represents a 78 percent increase over the initial FY 1987 Continuing Resolution funding level.

Today I am here in support of a request for $147,793,000, which principally addresses the agency buildup required to implement the Immigration Reform and Control Act of 1986 (Public Law 99-603). Funds for Reform Act implementation total $137,843,000. Resources are also included for detention of Mariel Cuban criminals who are turned over to INS' custody after completing sentences in State and local facilities ($9,000,000) and to remedy a funding shortage due to a change in Federal Telecommunications System rates ($950,000).

Immigration Reform

Two major areas of activity are to be funded by this portion of the supplemental request: improved immigration law enforcement and the new agricultural worker programs.

Enforcement

The Reform establishes a large-scale enforcement program. The effort mandated by the legislation is part of a balanced approach toward a resolution of the Nation's interrelated immigration and border control problems. The concept of a broad amnesty/legalization program is accompanied by a multifaceted enforcement program which will establish control of the borders between ports of entry on a permanent basis, augment inspections resources at the ports of entry, assure the expeditious deportation of aliens who have committed crimes, and eliminate the availability of employment to undocumented aliens through implementation of a program of legal sanctions against employers.

The Act requires a vigorous, comprehensive enforcement effort to discourage, prevent, and deter the illegal entry of aliens into the United States, and to remove them if they are found here. Title I contains the "teeth" of immigration reform in three broad provisions: (1) the Employer Sanctions program to eliminate the job magnet to illegal immigration, (2) the Systematic Alien Verification for Entitlements (SAVE) program to eliminate the entitlements and benefits magnet to illegal immigration, and (3) the Moorhead Amendment and related provisions to enhance the security of our borders at and between ports of entry by expanding the Border Patrol, Investigations, Inspections, and Anti-Smuggling Programs. To implement the Employer Sanctions program in the interior 1,237 positions and $33,669,000 are requested in 1987. The SAVE provisions will require 85 positions and $1,958,000 in the first year. The resources required to implement the Moorhead Amendment and related provisions of the law in 1987 are 2,261 positions and $70,479,000.

Title VII of the Act--the MacKay Amendment--requires the expeditious location and removal of criminal aliens by the INS. This request includes 616 positions and $16,781,000 in 1987 to carry out these provisions.

Agricultural Workers

In recognition of the unique needs of growers, Section 301 of the Act creates a separate and distinct temporary worker program for agriculture, the "H-2A" program.

Section 302 of the Act mandates adjustment procedures whereby aliens who can demonstrate that they have performed seasonal agricultural services in the United States for at least 90 mandays during the 12-month period ending May 1, 1986 can apply for temporary resident status. It also calls for the establishment of procedures enabling aliens to apply for temporary resident status at American consular offices outside the United States. Resources totalling 117 positions and $14,956,000 are requested in 1987 to implement the agricultural worker provisions.

Detention of Mariel Cuban Criminals

The Immigration and Naturalization Service is requesting a supplemental appropriation of $9,000,000 to address the serious national problem associated with detaining Mariel Cuban criminals after they have served their sentences in State and local prisons and jails. This request stems from an existing shortage of Service detention facilities, the unsuitability of utilizing INS' minimum security facilities to detain hard-core criminals, and a shortage of resources to acquire additional non-Service detention space.

Due to the suspension of the December 14, 1984 accord between the United States and Cuba, INS has not been able to return Mariel Cuban criminals to Cuba since May 1985. This has created a severe detention crisis in INS detention facilities and in the United States Penitentiary at Atlanta. Atlanta has been operating under a moratorium against accepting additional Mariel Cuban detainees since October of 1985, forcing INS to detain hard-core criminals in its minimum security Service Processing Centers and in contracted space in local jails.

There are a number of problems related to long-term detention in INS facilities. First, the detention centers are minimum security facilities that were neither designed nor intended for the long-term incarceration of serious offenders. As a result, security problems in the form of disturbances, riots, and escapes--instigated primarily by Mariel Cubans--will continue to occur. Second, the hard-core criminals intimidate and victimize more passive detainees with whom they are comingled. Fundamental correctional procedures require the separation of detainees based on the degree of security risk. Placing violent criminals in INS' minimum security facilities clearly causes substantial difficulties protecting passive non-Mariel Cuban detainees.

As available detention space is occupied by Mariel Cuban criminals, space for aliens other than Cubans will become virtually non-existent. Without this supplemental appropriation, the funds allocated for non-Service detention will be required to detain Cubans. The Congress recognized this developing problem in FY 1986 and provided $3 million in supplemental appropriations to address it. This request extends and expands that action into FY 1987.

Increase in Federal Telecommunications System (FTS) Charges

An increase in resources of $950,000 is needed in order to fund additional costs which will result from higher charges for service from the Federal Telecommunications System (FTS). This is mainly due to unanticipated tariff increases and other system costs which are now projected to be above those originally established by the General Services Administration.

The resources we are requesting are essential for the Service to implement the Reform Act, continue to cope with the Mariel Cuban criminal problem, and provide for our telecommunications needs through the end of FY 1987.

IMMIGRATION ENFORCEMENT

Mr. NELSON. As you indicated, Mr. Chairman, having been there on the border, it is an important job that we control the border, but you can't do it all there. I think we realize that, and that is certainly one of the major reasons for the reform legislation.

If I might, I often give a football analogy, but it is getting closer to baseball season, so it's like having a successful baseball team, you need good hitting, good pitching, and good fielding. The same on immigration enforcement: you need good border enforcement, you need good interior enforcement at the job markets, with employer sanctions, and you need to prevent illegal aliens from getting benefits to which they are not entitled. That is the other side of this legislation, the Systematic Alien Verification for Entitlements program.

I think the immigration bill passed by Congress and signed by the President in November accomplishes those major goals and it does further enhance our border enforcement. We need to do more of that. We will never stop all of the people coming across, as you have observed. But we can improve that; with more people and more equipment, we could do a better job. It raises the cost for people to try to get across, and that's the deterrent.

Mr. SMITH. It won't reduce the workload for the border patrol?

Mr. NELSON. No, sir. Again, as the legislation mandates and the budget that we are submitting for the 1987 supplemental and, I assume, for the 1988 budget, is an increase in all of these areas. We are talking about roughly 1,100 new border patrol positions; that is, the Moorhead amendment to the bill.

In addition, we are talking roughly 900 or more investigation positions that will be the key people to deal with the border sanctions provisions, and a number of additional investigators to deal with the criminal aliens. We are going to be doing more by congressional mandate to try to be sure that criminal illegal aliens, are deported after they have served their time and so forth.

REDUCED APPREHENSIONS ON BORDER

Mr. SMITH. Well, there have been some reports that the pressure on the border has already started to reduce, is this correct?

Mr. NELSON. Well, to some extent. But we are taking a very cautious position, Mr. Chairman, as to what that means. The apprehension numbers are down. There is no question about it. We hope that this bill is driving that, and we think it is to some extent. But it is too early to tell. The people might be sort of sitting and waiting. As Mr. Burns indicates, now, the push factors of economic problems in Mexico, Central and South America and the rest of the world with political unrest and so forth, are all factors that will continue to drive a lot of people to come to this country. So there is no question that we need continued strength at the border as well as in the interior.

Mr. SMITH. Are you saying, you are not sure whether you will need an increase in the border patrol?

Mr. NELSON. We are sure we will because, again, you have the situation even with the lull that is there, as you point out, people get through. So the additional people we're talking about, the thou-

sand-plus, will again fill some of the gaps that we have had for a long time. The number of border patrolmen, as many have said, was one less than the number of Capitol police.

For a border that is 2,000 miles long on the Mexican side, 4,000 miles on the Canadian side, we have always been very thin in resources. So this is just building us up to a point where we can do a more effective job, and hopefully with the sanctions and the other provisions, do a more composite job to deal with the problem from all aspects.

LEGALIZATION APPLICATION FEES

Mr. SMITH. Have you determined yet, how much the legalization application fee is going to be?

Mr. NELSON. For legalization?

Mr. SMITH. Yes.

Mr. NELSON. We are close to that. As indicated, we should be announcing it very shortly. We have indicated that it is in the range of $150 to $250. I might indicate that the fee for the permanent resident, a visa application for somebody coming in, is $185. So there is certainly a comparability.

As you know, the legislation provides that the costs of this program shall be covered by fees, also that the fees shall be comparable to others. And we will be coming out with that and that should be announced within the next few days.

Mr. SMITH. Well, what is the comparable amount of work in the two cases—legalization versus naturalization?

Mr. NELSON. Clearly—and this is another factor that certainly we are considering—the work for the legalization application is more than for the visa, for example, because we have to create a whole group of new offices. There is automation and new procedures to be set up. So we think the comparability standard is a fair one, and we think the fee will be well within reason and fair. And certainly one factor, it should not be a burden on the American taxpayer to take care of this very significant benefit that these legalized aliens will be receiving.

Mr. SMITH. Will a fee of $150 to $250 discourage illegal aliens from applying?

Mr. NELSON. We think not, Mr. Chairman. Certainly, nobody who seeks to come in as a legal immigrant and pays the $185 for a visa, we hear no complaints there. We would suggest for the illegal alien who would qualify, that this benefit, if on the open market would probably be worth many thousands of dollars for the privilege of turning him from an illegal to a legal status.

Remember also that probably a good number of these people have paid thousands of dollars to alien smugglers to get here. Many are paying substantial fees to attorneys. One of the requirements is that they cannot be a public charge in order to qualify. If he/she can't afford the kinds of money we're talking about, well, then there is a question of whether they would meet the public-charge requirement.

So we think the fees are not only reasonable but fair and easily within reach of these people to pay.

BANKRUPTCY JUDGES

Mr. SMITH. Let's discuss your request for bankruptcy judges. How many openings do you have and how many do you think will be appointed and when?

[The written statement of Thomas J. Stanton, Director and Counsel, U.S. Trustee System Fund will be inserted in the record at this point:]

DEPARTMENT OF JUSTICE

SUPPLEMENTAL APPROPRIATION

UNITED STATES TRUSTEE SYSTEM FUND

STATEMENT OF THE DIRECTOR AND COUNSEL,
EXECUTIVE OFFICE FOR U.S. TRUSTEES
THOMAS J. STANTON

BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE,
THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to appear before you today to discuss the 1987 supplemental appropriation request for the United States Trustees. The request is for 361 additional positions, 102 additional workyears and $16,436,000 in support of the nationwide expansion of the program and $243,000 for pay increases and conversion to the new retirement system. Funding of this entire request would raise the United States Trustees' 1987 budget to a total of 554 positions, 283 full-time equivalent workyears, and $28,179,000. In support of the administrative requirements of the trustees, the General Administration request includes $557,000 and 16 positions to support the nationwide expansion of the system.

As you know, 1987 is the first of two transition years to a nationwide program pursuant to the "Bankruptcy Judges, United States Trustees and Family Farmer Bankruptcy Act of 1986." The Act places 17 of the 18 former pilot judicial districts and 32 of the former non-pilot federal judicial districts in 11 regions

under the purview of the United States Trustee program in 1987. By the end of 1988, the second transition year, United States Trustees will supervise the administration of bankruptcy cases filed under chapters 7, 11, 12, and 13 of the Bankruptcy Code in at least 88 of the 94 federal judicial districts. Under transition provisions for judicial districts in the states of Alabama and North Carolina (see Sec. 302(d)(3) of the Act), program oversight may be deferred until October 1, 1992, in these six judicial districts. The bankruptcy judges there may choose to join the program sooner, as early as August 1987.

Congress established a 300-day deadline after enactment, or August 23, 1987, for the United States Trustees to assume program responsibilities over cases in 17 former pilot judicial districts and 32 additional federal judicial districts. After this date, case supervision will be the responsibility of the United States Trustee program whether or not an office has opened for the affected geographic area. (See Sec. 302(d)(1) of the Act.)

To meet this deadline, it is critical that the resources in the supplemental request be made available at the earliest possible time. The 1987 appropriation for the entire former pilot program covers 18 federal judicial districts. This budget is less than the supplemental request which expands program coverage to a total of 49 federal judicial districts. The base program can devote very few resources to a small expansion effort before

receiving additional funds. Therefore, with the existing base budget only a very limited expansion can be undertaken.

The United States Trustee System Fund was established by the Act to provide self sustaining financing for the program. Once program expansion is complete, we believe that future requests for appropriations can be provided completely from monies on deposit in the Fund. The Fund started with a zero balance in 1987. By providing direct appropriations to the program during its expansion, other deposits to the Fund from fees in bankruptcy cases will accumulate during the transition years of 1987 and 1988. Beginning with 1989, the Fund balance should be high enough from accumulated fee collections for appropriations from the Fund to finance the fully operational nationwide program for that and subsequent fiscal years.

Mr. BURNS. Well, there are two. There is a dichotomy there. There are bankruptcy judges under the new law, and then of course the United States Trustees.

Mr. SMITH. Yes.

Mr. BURNS. Your question relates to the bankruptcy judges.

Mr. STANTON. There are fifty-two new judges. My understanding is the Judiciary also has a supplemental before this Subcommittee, asking for the money to fund those judgeships. They want to start off just like we do as soon as you give us the go-ahead.

Mr. SMITH. Well, will the number of trustees needed depend on the number of judges?

Mr. STANTON. Well, the staffing projections that we have are based upon caseload rather than judges.

Mr. SMITH. Okay.

Mr. STANTON. To some extent, a few of those judges are going to create additional geographical problems for us, but we don't think they are going to be that substantial. Most of them are going to the larger areas except for Iowa, Mr. Chairman, where you're getting one in the northern and one in the southern district. But generally, they are going to places where the caseload already exists and we had already accounted for that level of staffing.

I would think it would be a small increase, but not a backbreaking increase.

Mr. SMITH. Mr. Rogers?

IMMIGRATION REFORM

Mr. ROGERS. Thank you, Mr. Chairman.

Let me get back to the immigration issue a minute. How many permanent positions do you anticipate that this money will allow you to field?

Mr. NELSON. I think, Mr. Rogers, we are in the range of 4,000-some-odd positions.

Mr. ROGERS. How many of those will be for the border patrol?

Mr. NELSON. We are projecting about 1,100 positions for the border patrol.

Mr. ROGERS. I thought it was supposed to be more than that.

Mr. NELSON. Mr. Rogers, we actually are asking for 1,800 positions for border patrol. The funding is there for the 1,100.

Mr. ROGERS. I see. I would like to focus on the question of whether or not you need the additional border patrol personnel. Now, my information is that in 1965 there were 110,000 apprehensions and by 1986 that had grown by 1.7 million. Are those accurate numbers?

Mr. NELSON. That is approximately correct.

Mr. ROGERS. That was through calendar 1986; correct?

Mr. NELSON. Yes. I do not recall whether we do it on a fiscal or a calendar year. But that's right.

Mr. ROGERS. And I believe you had told us that there had been a slight drop in apprehensions in recent months. Can you tell us what kind of numbers you're talking about now?

Mr. NELSON. The number of the drop—I don't have the numbers in front of me—but about a twenty, twenty-five percent drop in the months since the immigration bill has been passed. On that score,

in further response to the Chairman's question, too, while we have had a drop—and we were glad to have that and we hope it's a trend for the future— we are still higher than every other previous year in the history with this trend. So again it is a little early to take a lot of credit for the drop.

Mr. ROGERS. Also, the river has been high.

Mr. NELSON. The river has been high. We think some people are sort of sitting and waiting to see what's going to happen. There are a lot of people and we advise those who might qualify for legalization, not to leave the country where they might have problems getting back. There are many reasons.

That is why we have not made a dramatic statement that we think the bill itself has forced the drop because frankly we thought when the bill passed, we might even see a continued increase assuming people would try to get in here. So it's hard to judge.

We are hoping, of course, that the thrust of the law is that with the increased enforcement and the increased public attitude and employer sanctions, that it is going to be tougher for illegal aliens to get here or to stay here. That is the hope that the numbers will drop. But it will be gradual, there's no question.

Mr. ROGERS. Well, in addition to those apprehensions, now, how many are getting through that you are not catching?

Mr. NELSON. We don't know that, Mr. Rogers. My predecessor, General Chapman, made the statement—and I think there's a lot of merit in it, "If you can count them, you can catch them." I think there is, as I say, merit in that. We don't know. Our best estimate is that we are probably apprehending about one out of two.

Mr. ROGERS. About half.

Mr. NELSON. About half.

Mr. ROGERS. So even with the extent of your activities right now, one-half are still getting through. That means at least one-and-a-half million a year are getting through; is that right?

Mr. NELSON. Well, again you do have to realize there are some repeaters. So again, in rough terms, if we're catching—let's round it off at two million—then two million, maybe half of those have made a couple of attempts on an average. Let's assume that. So that would be a million have come in, and we would say that half of those return. So we are saying our best estimate again, Mr. Rogers, is about a half-a-million increase each year, over the last number of years in illegal aliens to our population.

Mr. ROGERS. That are making it through?

Mr. NELSON. That are making it through and staying. We're saying, roughly, let's say, on the figures I gave, about a million are making it through, a million individuals, but probably half of those are returning.

Mr. ROGERS. I see. But at least a half-million are getting through.

Mr. NELSON. That's correct. That is again our best estimate.

BORDER PATROL STAFFING

Mr. ROGERS. How many border patrol people do you have now?

Mr. NELSON. About 3,600.

Mr. ROGERS. And you are proposing to add 1,100?

Mr. NELSON. That's correct.

Mr. ROGERS. Which would be a third of what you have.

Mr. NELSON. That's correct.

Mr. ROGERS. With that number of additional border patrol people, what kind of impact do you think you could have on these 500,000 that are still getting through?

Mr. NELSON. I think, Mr. Rogers, in going back to the Chairman's questions, there is a composite of the border enforcement, the job market, employer sanctions, and the entitlement enforcement and the criminal alien enforcement. All those together, I think, is what you have to put together. I don't think you can measure with just one segment of it. But I think again the hope and the intention is that we will over time turn it around and cut back on the number of illegals coming and staying.

Mr. ROGERS. But as it is right now, if a person in Mexico or from that border area wants to get through, if they keep trying, chances are they're going to make it, under present border surveillance; is that correct?

Mr. NELSON. That's a fair statement.

Mr. ROGERS. And unless we beef it up, we're going to have to face that unless this law somehow discourages them; is that right?

Mr. NELSON. That's correct.

Mr. BURNS. It's our best guess that we cannot guarantee that the enhancement by 1,100 border patrol people will indeed solve this problem. We can't guarantee that. But we surely can guarantee that the failure to have this enhancement and other parts of this program will, in effect, leave the border wide open. There are continuing pressures on that border both by legals and illegals, people smuggling drugs across that border. This absolutely requires our attention.

DRUG ENFORCEMENT

Mr. ROGERS. Can you document the drug issue for us more than you already have?

Mr. BURNS. I think that we certainly can, and I would be glad to do so by supplemental letter.

Mr. ROGERS. Can you just elaborate on it verbally here as well?

Mr. BURNS. Absolutely. As we know and as the Members of the Congress know, we have a major, major problem on our southwest border. It is in the corridor, there are drugs and a trail of blood and terrorism and death all the way from Colombia coming all the way up right across that border and into our cities all over the country, the first six major cities and then it fans out.

With this enhanced border patrol business and with our enhancements in other areas of the Department, DEA and FBI, we are going to have cross-designations and working with the Customs Service and with the Coast Guard and other agencies, we are going to try to stem that tide, stop that flow.

And the INS border patrol agents, you should know, have made the largest seizures of drug contraband of any of the agencies.

Is that right, Al?

Mr. NELSON. That's correct.

Mr. ROGERS. I was going to ask you what kind of impact the additional INS personnel would have on drugs.

Mr. BURNS. So it is really, as Al said, the enforcement aspect of border patrol, the enforcement aspects of this bill and this new legislation, that are very, very important. But they are part of an immigration mosaic. So, too, the immigration problem is part of the overall mosaic of law enforcement and trying to stop these aliens who are criminals and are coming with criminal intent.

PROBLEMS WITH DELAYING ENFORCEMENT EFFORT

Mr. ROGERS. Can you put this off until fiscal year 1988?

Mr. BURNS. Without question we cannot. These are programs that are in progress. These are programs that cannot withstand any delay. The pressure on us is not to delay, the pressure on us is to accelerate this effort with all due deliberate speed. We have received a lot of pressures in this regard, but that has to be balanced against the need for putting people who are trained, who are able, who are qualified to do the job. That is the time constraint on us.

FEE STRUCTURES

Mr. ROGERS. Now, the fees that the Chairman asked you about, is it your intent to structure the level of that fee, so as to perfectly repay you for the expense of the service and no more?

Mr. BURNS. That would be ideal, and of course that is not an easy task to perform because——

Mr. ROGERS. But that is the intent?

Mr. BURNS. The intent is to balance two things: one, to have the self-funding; and second, to have it fair when one compares it to the amounts paid by the legal aliens.

Mr. ROGERS. Well, now, why should a person who has broken the law and gained entry into this country illegally, be allowed to gain citizenship for the same or a lower price than a person who has waited in line for ten years to get here? Why should he be given a break?

Mr. BURNS. You can't pick a fight with me on that one, Congressman.

Mr. ROGERS. I really think that $185 is the very minimum.

Mr. BURNS. Well, Congress has really laid down in the legislation our guidelines, and that is to have the self-funding.

Mr. ROGERS. Well, whatever. It just seems to me, you know—and there is an old theory of the law that one should not gain by criminal act, and the person illegally entering this country has done so without regard to our laws and our well-being, and without regard to that person who has legally waited in line somewhere else to get in here the proper way.

To give that person a break under the law is not fair and proper, and I would hope that you would put that fee at least—at least—at the level of a person coming in legally, at the very least, and I think it should be substantially more than that.

Mr. BURNS. That is something we could consider.

Mr. ROGERS. $185 offends me. If that's what we're charging a person who has gone through the process for ten years to get here, and you're letting a law-breaker get in here for the same price, then I am going to be offended, and I think most Americans would feel exactly the same way.

U.S. TRUSTEE SYSTEM

I certainly hope that the trustee system that you are going to put in the bankruptcy courts speeds up the process. As I made this point the other day to one of the witnesses here testifying on the bankruptcy courts, this is a major problem. There is a case that is pending in the Eastern District of Kentucky, still pending today, that I started when I started practicing law—1964. It is still sitting there. In the meantime, the creditors have gone bankrupt and have died or had their houses repossessed or whatever. And there sits those cases. Nobody is doing anything about it.

I would hope that we could get this system in place and start cracking the whip.

Mr. BURNS. Well, I think that I could probably find a case, Congressman, if I looked, that has been pending since I was admitted to the practice of law in 1953.

The problem, as you know, is that there has been too much cholesterol in the system and that there is a hardening of the arteries, and the purpose of this trustee system is to provide a rotor-rooter system. [Laughter.]

Mr. BURNS. To see to it that there is indeed a system of someone monitoring the flow of that calendar and keeping these cases moving. You know, I have been equivocal about some of the answers to some questions where we can't look into our crystal ball and predict with certainty. Here I speak with greater confidence because of the fact that we have had the pilot program going and what the returns tell us is that this works.

Mr. ROGERS. So we shall see, we hope.

Thank you, Mr. Chairman.

INS RESCISSION

Mr. SMITH. I just want to point out one or two things. You are one of the few Departments that has requested an increase for fiscal year 1988, due to increased workload. We understand that, but we have a budget situation that may not provide for such an increase.

In other words, you start working from a baseline. For any Department that had a baseline that is lower than their needs for the next year, it becomes very difficult because the presumption is that nobody needs more dollars than they had last year.

So, with that in mind, you now want to rescind $25 million because of the immigration user fee account. I am not quite clear why you want to do that, since it just complicates our problem.

Mr. BURNS. Why is that?

Mr. SMITH. Because we wouldn't have it then to offset, if it's rescinded. We look at bottom lines of outlays and obligational authority, and if we rescind that in a supplemental——

Mr. BURNS. We think you are entitled to a credit.

Mr. SMITH. Maybe I didn't explain it right. But you have a supplemental in here, a big supplemental, and any money that can be reprogrammed to offset some of the needs for the supplemental would be helpful. It's going to be very difficult to get that kind of money for a supplemental.

Well, anyway, the rescission date is up in another week, I guess. I guess the date is up on the 16th.

Mr. NELSON. I think it is, yes.

Mr. SMITH. Thank you very much. We have some questions that we would ask you to answer for the record.

Mr. BURNS. Thank you very much.

[Questions and answers for the record follow:]

QUESTIONS FROM MR. NEAL SMITH

DEPARTMENT OF JUSTICE FY 1987 SUPPLEMENTALS

Immigration Reform - Legalization

Question:

The Department of Justice requests $145,961,000 for implementation of costs in FY 1987 associated with immigration reform. Also, the Department plans to spend an additional $148,540,000 in FY 1987 for the legalization program; however, no supplemental is requested because the program is to be self-funded through collection of application fees. Please describe how you envision the system for collecting these fees will work.

Answer:

The system for collecting legalization fees will be identical to INS' current fee collection system for applications and petitions. Currently applicants submit their fees when filing for benefits, these receipts are then deposited nightly.

Question:

There seems to be some concern about the interpretation of the usage of the application fees. On what basis did the Department decide that the legalization program would be entirely self-funded from the application fees collected?

Answer:

We do not believe that there is any question of interpretation regarding application fees. Section 201 of the Immigration Reform and Control Act of 1986, states that the Attorney General shall provide for a schedule of fees to be charged for filing applications for legalization. It further states that "The Attorney General shall deposit payments received under this paragraph in a separate account and amounts in such account shall be available, without fiscal year limitation, to cover administrative and other expenses incurred in connection with the review of applications filed under this section". Consistent with this Act, we plan to fund the legalization program through receipts from application fees from those aliens applying for legal status.

Question:

What assurances can you give the Committee that you will collect sufficient application fees to fund your FY 1987 requirements?

Answer:

We do not envision any difficulties with receiving sufficient fees to cover our funding requirements inasmuch as we expect a high initial turnout. However, because no one is absolutely certain of the size of the illegal alien population eligible to apply for

legalization or what percentage of this population will actually apply to legalize their status, these estimates are still subject to some adjustment. If the estimates are low and more aliens than planned apply, INS will be able to use the additional receipts to fund expansion of the program. If the estimates are high and sufficient numbers of people do not apply over the life of the program, we will take action to reduce expenditures. Such reductions, if necessary, would not occur until late 1987 to ensure that the reductions are not just a fluctuation in the pattern of receipts.

Question:

We are aware that some projections call for a relatively small turnout of applications early on in the legalization program because of a lack of trust on the part of illegal aliens. What will be the impact on the legalization program if this occurs and you fail to collect sufficient fees?

Answer:

Our field offices report expectation of high initial turnout. If we fail to collect sufficient fees because of a small turnout of applicants early on in the process, we plan to contract the program as swiftly as possible, thereby reducing our costs.

Question:

You estimate 1,788 full-time equivalents will be hired for legalization purposes in FY 1987 -- 1,002 by INS and 786 by the FBI. How many positions does this equate to?

Answer:

The 1,002 full-time equivalents for INS' legalization program equate to 2,369 staff being hired. The 786 full-time equivalents required by the FBI equate to 1,526 staff being hired.

Immigration Reform - INS Enforcement

Question:

INS requests $137,843,000 in supplemental appropriations associated with improved enforcement. Of this amount, $10,140,000 is compensation associated with a planned growth of 4,316 permanent positions and 489 permanent workyears. It appears that you plan to have these personnel on board for an average of less than 1 1/2 months in 1987. Considering the importance of this program, why are you waiting so long to bring personnel on board?

Answer:

Because of the importance of this program, it is critical to hire qualified candidates to fill new positions. Our budget estimates reflect the constraints inherent in our capability to recruit and hire significant numbers of new employees within a fiscal year.

However, it is important to note that the Employer Sanctions provision of the legislation contains a 6-month employer education period. As such, full enforcement does not begin until June, 1987. Our budget request reflects this reduced staffing need.

Question:

INS is requesting an increase of 4,316 positions in this supplemental, almost a 40 percent increase over currently funded positions in 1987. Did you utilize existing workload formulas to determine the number of positions for each category? For example, did the increase in immigration inspectors drive an increase in detention and deportation officers?

Answer:

Where applicable, INS relied on known inter-relationships between programs to determine positions in various categories. For example, in the Legal Proceedings program, one secretary was included for every two attorneys hired. However, because the legislation provides for many new activities there are some areas where applying base ratios to new activities was not appropriate.

Question:

What was INS' original supplemental proposal as submitted to the Justice Department?

Answer:

INS' original supplemental proposal submitted to the Justice Department requested 4,853 positions, 3,041 FTE workyears, and $421,985,000.

Question:

Did Justice adjust these numbers and, if so, why?

Answer:

Justice adjusted these numbers to reflect the self-funding nature of the legalization provision of the legislation and to more realistically depict INS' ability to recruit and hire large numbers of additional staff.

Question:

Did OMB adjust the INS numbers after they were submitted for review?

Answer:

Yes.

Question:

Why, when the overall average increase in INS positions is approximately 40 percent, does INS increase the number of their attorneys by almost 90 percent, from 291 to 544?

Answer:

The Immigration Reform and Control Act of 1986 contains significant changes to the current immigration laws. INS' Border Patrol, investigations and Anti-Smuggling programs will drive the litigative workload upward. In addition, it creates an entirely new body of law relative to legal sanctions against employers of illegal aliens. In addition, a significant number of attorneys will be required to prepare and prosecute sanctions cases against employers.

Question:

Can you assure the Committee that INS, Justice and OMB have applied rigorous job standards and workload formulas in estimating the number of personnel requested in this supplemental?

Answer:

Yes.

Question:

Are you confident that in fact all the personnel in each job category are necessary?

Answer:

Yes.

Question:

INS requests $12,427,000 for increased travel and transportation. Even if every one of the 4,316 permanent positions are filled and each of those personnel travel, this amounts to almost $3,000 per person. Why are you requesting such a large amount for travel? What assumptions were used in computing your estimates?

Answer:

Only a portion of the $12,427,000 is intended for travel. The majority of these funds will be spent on training the many new employees who will be entering the Service. The cost of basic training for our new officer positions ranges between $4,000 and $6,000. Additionally, approximately $2,000,000 of this is for alien travel.

Question:

Why does INS require $7,104,000 for printing and reproduction? Please provide a detailed list of what these funds will buy.

Answer:

The majority of these funds, $7,049,000 will be used for the implementation of the employer sanctions program, for printing and distribution of forms and descriptive information. All employers in the U.S. must receive and begin to use the new form (required by the Act) by June 1, 1987. At the same time the forms are received, employers must also receive sufficient information and instructions to understand how the form must be used. Distribution of the form will be accomplished by direct mail. Information will be disseminated by direct mail and through trade publications, magazines, inserts, posters, and other printed materials.

Printing and reproduction costs under the Special Agricultural Worker program are projected to cost $50,000. This is needed for printing of application forms and information materials describing the program for prospective applicants.

Finally, a limited amount of printing will be funded using $5,000 allocated under Administrative Services for personnel security purposes. Such items as posters and brochures will be produced with these resources.

Question:

Please provide a list of "Other Services" to be procured with the $14,782,000 requested by INS.

Answer:

Listed below is a breakdown by program of the $14,782,000 requested for "Other Services".

Decision Unit	Amount ($000)
Various Enforcement Programs:	
Repairs and Maintenance of Vehicles	$4,062
Detention and Deportation:	
Contractual Detention Space	1,676
Adjudications and Naturalization:	
Voluntary Agencies (Volags)	1,196
Data and Communications Systems:	
ADP and Contractual Maintenance	5,395
Administrative Services:	
Public Information Campaign	800

Decision Unit	Amount ($000)
Full-field Investigations and Payroll costs associated with requested positions	$1,653
Total	14,782

Question:

How did INS arrive at the estimated amount for supplies and materials? Was it based on an historical factor per each new position?

Answer:

INS used its standard module costing tables to develop resource estimates associated with supplies and materials for new hires. The information contained in this table is based upon historical data.

Question:

INS requests over $38,000,000 for equipment. Please provide a list, broken out by program (e.g., border patrol), type of equipment (e.g, helicopters), number of pieces to be procured (identify if lease or buy), and cost.

Answer:

Listed below is a breakdown by decision unit for the $38,000,000 requested for equipment.

Decision Unit	Amount ($000)
Border Patrol 260-Sedans; 375-4x4s; 33-All Terrain vehicles; 5-Helicopters; 635-Mobile units; Pocket scopes and goggles	$14,459
Investigations 510-Sedans, 36-Surveillance vans, 510-Radios, furniture for new positions	11,017
Anti-Smuggling 20-Sedans; 20-Radios; 12-Trucks	264
Detention and Deportation 16-Sedans; 12-Trucks; 68 Buses; 92 Radios	4,148
Adjudications and Naturalization Furniture and word processing equipment; Personal computers	1,119

Decision Unit	Amount ($000)
Data and Communications Systems	
Digital Voice Privacy	2,280
253-Bay station, 32-Module units, 175-Computer; 1 LLLTV	2,725
Intelligence	
Photography equipment	52
Construction and Engineering	
Furniture	1,623
Executive Direction and Control	
5-Sedans	77
Administrative Services	
11-Sedans; 5 PAX Cargo	236
Total	38,000

NOTE: All equipment will be purchased rather than leased.

Question:

INS requests $35,000,000 for land and structures. Please provide a list of projects broken out in a manner similar to the INS FY 1988 request on page 65 of their justification. In addition, please provide for each project a short explanation of why the funds are required in FY 1987.

Answer:

The funds for all of these projects are requested in 1987. However, we request that they remain available until expended to allow for adequate time to complete construction. Although language proposing no-year authority for these funds was inadvertently omitted from the President's budget, it is the Administration's intent that these construction funds remain available until expended. As you know, due to the time required for site acquisition, etc., the construction of facilities often spans several years.

Project	Amount
New detention facility	$15,000,000
Renovation of Border Patrol Stations	16,000,000
Modification of Topographic features of borders	4,000,000
Total	35,000,000

The following list depicts Border Patrol construction project locations.

Location	Site Acq.	Construction	Total
Partially funded:			
El Paso, TX		$2,600	$2,600
Ajo, AZ		850	850
Naco, AZ		650	650
Planned facilities:			
Temecula, CA	$200	1,800	2,000
El Centro, CA	67	600	667
Las Cruces	67	600	667
Laredo, TX	66	600	666
Under consideration:	790	7,110	7,900
Brownsfiled, CA			
Las Cruces, NM			
McAllen, TX			
Calexico, CA			
Cotulla, TX			
Tecate, CA			
Nogales, AZ			
El Centro, CA			
Uvalde, TX			
Yuma, AZ			
Yselta, TX			
Total	1,190	14,810	16,000

Immigration Reform - General Administration

Question:

How much is requested by the Executive Office for Immigration Review for expansion of their priority ADP system? Please break out the costs by type of cost, i.e., equipment purchase/lease, supplies, software, personnel?

Answer:

The Executive Office for Immigration Review (EOIR) is requesting $1,260,000 in ADP costs for FY 1987. The breakout of this request follows:

Equipment lease	$311,000
Supplies	20,000
Contract with private sector contractor including software development, systems installation and other direct charges.	890,000
Travel	28,000
Communications	11,000
Total	1,260,000

Question:

It appears EOIR plans to have these positions filled for an average of three months in FY 1987. Does this still appear achievable and do you still require the full 42 workyears?

Answer:

EOIR, in anticipation of this considerable administrative task, is establishing hiring procedures which address the large number of positions to be filled. EOIR has also identified the geographical locations where these additional positions are needed. At this time, EOIR believes that the goal is achievable and that the magnitude of work still dictates the full complement of 42 workyears. EOIR is ready to implement its hiring program once it receives approval to begin.

Question:

Your justification states that the growth in EOIR positions is based on INS assumptions. Since the growth in INS positions is about 40 percent, we can assume their workload would increase proportionately. Why does EOIR request an increase in positions of almost 70 percent, from 290 to 490 positions?

Answer:

Initially, we would note that we are not aware of a direct relationship between an increase in the number of INS positions and an increase in its workload. In addition, it should be noted that any increase in INS positions may not, because of the various nature of INS functions, affect EOIR workload to any extent. We do know that INS projected an increase of a certain specific number of cases which must be adjudicated by EOIR. Our own statistical information will tell us the number of positions we need to adjudicate a specific number of cases. Based upon INS' workload projection and our own statistical information, EOIR has estimated the need for 200 additional positions beginning in 1987 and continuing throughout 1988.

Question:

Why does EOIR require an additional $1,293,000 for travel and transportation, which equates to almost $6,500 for each of the additional 200 positions?

Answer:

Of the $1,293,000 requested for travel, $1,229,000 is for the travel EOIR expects to conduct in 1987 as a result of the criminal alien provisions of the Immigration Reform and Control Act which require the expeditious coordination and conduct of civil deportation or exclusion proceedings to adminstratively adjudicate the immigration status of alien inmates incarcerated by federal, state and municipal correctional authorities as a result of convictions for various types of criminal offenses. To comply with

the Act, EOIR's judges will be required to hold hearings in the 50 states at various prison facilities as opposed to regular Immigration Judge courtrooms. These funds will cover the travel expenses EOIR anticipates incurring for FY 1987 to implement this program.

The remaining $64,000 are normal, detail-city, travel expenses associated with the new Immigration Judge positions.

Immigration Reform--GLA

Question:

General Legal Activities requests 43 permanent positions, 16 workyears and $2,295,000 for immigration reform. The other divisions/agencies of Justice appear to be assuming their additional positions will be filled for less than three months in FY 1987. For Legal Activities, this would equate to 10 workyears instead of 16. On what basis are you requesting 16?

Answer:

The General Legal Activities workyear request includes three workyears for the Civil Division and 13 workyears for the newly enacted Office of Special Counsel for Immigration-Related Unfair Labor Practices. The Civil Division request indicates the additional positions will be filled for approximately three months. However, the request for Special Counsel reflects an anticipated start-up date of May 1, 1987, which is established in the enacting legislation. Therefore, the workyears have been calculated to accommodate the additional positions for approximately 42 percent of the year.

Question:

Why does Legal Activities require $253,000 for travel and transportation, which equates to almost $6,000 for each of the 43 additional positions?

Answer:

The Civil Division has experienced travel costs at an average of $5,000 to $7,000 per person in the area of immigration litigation over the past two years. This historical experience was used to develop the request for 1987 travel costs. We believe that these expenses are not excessive due to the amount of travel involved in immigration matters. Since there is no similar experience associated with the Office of Special Counsel, we have also used the Civil Division experience to develop the estimates for this Office.

Question:

Please breakout the $674,000 in "Other Services" and $178,000 in equipment requested by Legal Activities.

Answer:

This request includes $450,000 for automated litigation support, and $145,000 for costs associated with court reporting and filing, systems development and research services for the Civil Division. Also, included is an amount of $79,000 for similar services for the Office of Special Counsel. The additional resources for equipment will be used to purchase office furniture for the Office of Special Counsel and ADP equipment for the Civil Division.

U.S. Trustees

Question:

General Administration requests 16 permanent positions, 12 workyears and $557,000 associated with expansion of the U.S. Trustee program. You estimate 10 workyears for the 16 new positions, which assumes you will have all the positions filled for an average of about 8 months in FY 1987. Is this the case and, if not, provide a revised estimate of when you anticipate filling these positions and what your revised workyear and compensation estimates are?

Answer:

Yes, it is true that estimates provide for 10 workyears associated with 16 permanent positions. It is important to understand that to support the implementation of the Bankruptcy Judges, United States Trustees and Family Farmer Bankruptcy Act of 1986 (Public Law 99-554), it was essential for the General Administration (GA) appropriation to undertake actions within its responsibilities and fund the personnel necessary to expand the Trustees' nationwide system immediately. The law requires the Trustees to expand its program to 49 judicial districts in 11 regions by August 1987. The remaining 39 districts in 10 regions will be opened during 1988. In order to set up these offices, the GA appropriation is required to do preparatory duties, such as: (1) coordination, acquisition, alteration and occupancy for the newly acquired space, (2) procurement of supplies and equipment, (3) administrative support, (4) required security clearance measures, as well as (5) financial and accounting support to efficiently process the greatly increased financial and payroll transactions which will result. The aforementioned resources are required in full in order to support the mission of the U.S. Trustee nationwide expansion.

United States Trustee System Fund

Question:

The U.S. Trustee System Fund requests 361 permanent positions, 102 workyears and $16,436,000 to expand the system. Are you confident you will require the full 102 workyears and associated funding?

Answer:

Yes, the workyears will all be needed to meet the deadline imposed by the "Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986" for supervising the administration of bankruptcy cases in a total of 49 federal judicial districts. The workyear estimate is based on only about three months' average salary and related costs being paid for the average employee hired. Depending on how soon funds from the supplemental are made available to the program, many of the employees to be hired can be placed on the payroll for five or six months.

Question:

The Trustee System Fund requests a total of $3,779,000 for "Other Services." Please provide a break out of these services.

Answer:

A break out of the $3,779,000 estimate is as follows:

Item	Estimate ($000)
Reimbursable services (Audit Staff, FBI background checks)	$1,300
ADP systems design & engineering	675
Office of Personnel Management (OPM) employee background investigations	497
Contract for chapter 11 quarterly fee collections	275
ADP contract for operations & maintenance	242
ADP requirements analysis & other studies	204
Employee training	148
ADP & office equipment maintenance & service contracts	128
ADP systems analysis and programming	110
Court reporters	82
Employee data and payroll services	47
Management consulting	28
Graphics services	32
Credentials and I.D. photos	11
Total	3,779

Question:

How many trustee offices do you currently have, what is their average caseload and what is the average size of their staff? How many new offices do you plan to open, what is their average projected caseload, and what will the average size of their staff be?

Answer:

UNITED STATES TRUSTEE PROGRAM
OFFICES, STAFFING AND CASELOAD

Projected Averages for Nationwide Expansion

	Number of UST Offices	Average Staff	Average Caseload
Pilot Program	15	15.3	9,480
1987 Expansion	26	10.4	4,621
1988 Expansion	35	9.7	6,648
All offices, after expansion	76	11.0	6,514

The 1986 Act expanded the role of the U.S. Trustees in several significant areas, including monitoring cases for substantial abuse of the bankruptcy process and assisting prosecutors in the detection of white collar bankruptcy crimes such as fraud, embezzlement or misappropriation of case funds. The offices will also be required to collect chapter 11 quarterly fees for the U.S. Trustee System Fund. These activities all require additional 1987 funding for the former pilot offices. Total field office staffing for the specified offices will increase from 173 positions under the pilot program to 229 positions under the nationwide program. For the average staff comparisons to be most informative, then, the average staff figure for former pilot field offices was calculated from the anticipated level including the 1987 supplemental request.

Several factors assist in explaining variations appearing in the table. First, the pilot program districts were selected in 1978 as a compromise between no program and one which would be tested in all 94 federal judicial districts. As such, the pilot districts are not a representative sample of all 94 districts. For example, two of the largest districts in the country in terms of case filings, the Northern District of Illinois and the Central District of California, are included in the pilot program. Another pilot district, the Northern District of Alabama, has disproportionately high filings under chapter 13. Offices to be added under the expansion cover wider geographic areas than the average pilot program office. Travel time would raise an office's staffing relative to the number of cases being supervised. And the mix of cases, whether filed under chapter 11, the most time consuming in terms of resources, or under another chapter, will affect the projected staffing of an office.

Bond Building

Question:

A total of $3,264,000 is requested for relocation costs of several Justice Department divisions into the Bond Building. Of this

amount, $702,000 in General Administration, $1,465,000 in General Legal Activities, and $215,000 in the Antitrust Division result from GSA rent increase. Does this increase take into account rent decreases at the old locations?

Answer:

Yes, the requested increase reflects the net change in rental costs between the old locations and the Bond Building.

Question:

Please explain why the Antitrust Division, which is not being relocated to the Bond Building, may pay additional rent?

Answer:

The Antitrust Division will incur additional rental charges because of the method of charging Departmental organizations for space in the Washington, D.C. metropolitan area. Because of this method, an adjustment to the rental charges for the other components of the General Legal Activities appropriation will also be required.

Question:

Do any of the funds requested for the relocation provide any equipment or capability not available at the previous location? If so, how much is requested?

Answer:

Because we are consolidating several Criminal Division offices, there will be a need to provide a more secure access control system. In addition to enhanced security, the Division seeks to modernize its operations by constructing a computer room, copier rooms and installing data communication lines. Of the total request, $822,000 is devoted to one-time relocation costs, which includes the expenses associated with the above-mentioned modifications.

Security

Question:

The Department requests a total of $550,000 for three security programs: the Justice Command Center (JCC), National Security Emergency Program, and improved security at the Visitor Center. While these three programs appear to have merit, it is unclear why they weren't requested during the normal budget process.

Answer:

In FY 1986, during the development of the Department's FY 1988 budget request, resources were requested for all three programs, totaling 14 positions, 12 full-time-equivalent workyears (FTE) and $1,661,000. At that time, taking into consideration a range of

circumstances, it appeared that delaying these projects until FY 1988 would be feasible. However, since that time forward funding has been necessitated in all three areas as follows:

Justice Command Center - Project CHOSUN is in the process of being installed now. The 24-hour "watch officer" capability provided by the JCC has proven to be invaluable to Department officials. The single watch officer cannot handle the JCC requirements and the Project CHOSUN requirements.

National Security Emergency Programs - There has been a dramatic increase in government-wide emergency planning activities. The Federal Emergency Management Agency (FEMA) and the Defense Mobilization Systems Planning Activity (DMSPA) are both imposing requirements on DOJ for active participation in developing plans for continuity of government and for participating in exercises of these plans. For the first time, DOJ is now required to involve our regional offices in the planning and in the exercises. We must have resources to meet the demands being placed on us by FEMA and DMSPA.

Visitor Center - Increased security for the Main Justice building is promulgated in part because of several foreign national extradition cases in which the Department will be involved. The foreign nationals involved are members of known terrorist organizations and drug-related cartels and have made threats against various federal officials. There is also a fundamental need to improve the effectiveness of our security at the Main Justice building.

Question:

What is the urgency that requires supplemental appropriations and what would be the impact if funding was delayed until FY 1988?

Answer:

Project CHOSUN is in the process of being installed now. The Justice Command Center (JCC) was completed in May of 1986. The single watch officer cannot handle the JCC requirements and the Project CHOSUN requirements. Resources are needed immediately to enable the DOJ to meet its responsibilities.

Requirements for participating in emergency planning and participating in the numerous exercises are on us now, not FY 1988. The DOJ Emergency Coordinator is traveling to various regional U.S. Attorneys Offices this month, as this is being written, to give instructions to our regional offices.

The recent actions taken by the DOJ to extradite terrorists from Europe and South America have considerably increased the probability that the "open", "soft target" Main Justice building and its employees will become the target for retribution by the terrorists. The threat exists now.

GSA Rent/FTS

Question:

We understand that your request for supplementals to cover increased GSA rent and FTS costs is out of your control; however, we would like to know the basis for your requested increases.

Answer:

The basis for our FTS request is due to rate increases. The General Services Administration (GSA) estimate for 1986 was approximately $65 million short of costs, governmentwide. GSA stated that the increase was due to unanticipated tariff increases and savings which did not materialize. It was further stated that the tariff increases were actions they could not control since increases are approved by the Federal Communications Commission (FCC) and the State public utilities commissions. These decisions were reflected in higher bills from FTS communications carriers. In accordance with the law that created the FTS fund, GSA is mandated to recover the additional tariff costs from customer agencies.

Subsequent to this action GSA revised 1987 and 1988 FTS estimates. This took place well after our 1987 budget was constructed. The increases sought by the Department in 1987 are based solely on the estimates provided by the GSA. In fact, no growth in usage has been included.

The GSA rent increases are sought for appropriations whose availabilities are not sufficient to meet the decision to restore the rates to a market level. This was determined during the fall update of the Work Space Management Plan and Budget Justification, a joint GSA and OMB exhibit. After review of these documents, which agency space and facilities personnel and financial managers complete jointly, it was determined that an increase would be required to meet expenses for space which is currently held and is within GSA guidelines.

Question:

Have you received any new billings or information from GSA that would alter your request?

Answer:

We have not.

Litigation Resources

Question:

General Legal Activities requests 25 permanent positions, 6 workyears and $2,760,000 for additional litigation resources. Are you confident you will fill all your positions as requested and will require the full workyears?

Answer:

Yes, we are confident that if the requested resources are appropriated, we will fill the positions promptly and will, therefore, require the workyears requested. It should be noted that in recognition that approval of the supplemental would occur well beyond the mid-point of the fiscal year, we have requested a workyear equivalent of only 25 percent of the full annualized amount.

Question:

Based on latest budget execution data, do you still require the full $2,000,000 requested for Independent Counsel?

Answer:

Yes. Projections provided to the Department by the Administrative Office of the U.S. Courts (AOUSC) indicate that Independent Counsel costs for the currently active investigations could exceed $3 million in 1987. Since several of the counsel were not in full operation until late in January 1987, the Department must rely on projections of need provided by AOUSC rather than budget execution data.

Question:

Do you anticipate that the recent lawsuits questioning the constitutionality of the Independent Counsel will result in a lessening of their operation and reduce costs?

Answer:

We do not think that there will be any material changes. In fact, the lawsuits may have the effect of increasing the cost of the investigations because of delays interposed into the proceeding, and the necessity for the counsel to prepare arguments in answer to the issues raised in the lawsuits.

Support of U.S. Prisoners

Question:

The Marshals Service is experiencing an increase in the number of prisoners and the length of time they are held in contract jails. The projected increase in jail days and costs results in their request for $9,630,000. Please provide the number of jail days and average daily rate provided in the FY 1987 appropriation and the increase requested in the supplemental.

Answer:

The original 1987 appropriation request was based upon an estimated 1,340,000 jail days at a rate of $38.38. The supplemental request cited an additional 260,000 days for a total of 1,600,000. At the time the supplemental was prepared the jail day rate was calculated

at $37.00. Since then, we have seen a significant increase in this rate, which is now expected to reach $39.00 a day by the end of the fiscal year.

Question:

How many jail days have been used to date for 1987 and what were the number of days used for the same time period in 1986 and the total number of jail days for 1986?

Answer:

During the first quarter of 1987 a total of 384,265 jail days were reported. This compares with 348,150 days for the first quarter of 1986. A total of 1,425,435 days were reported for all of 1986.

Question:

What is your average daily jail rate to date and what was the average through the same date in 1986?

Answer:

The average daily rate calculated on December 31, 1986, was $37.37. The estimated rate one year ago was $35.32. This represents an increase of 6 percent or $2.05 per day.

Question:

Based on latest execution, have you revised your FY 1987 estimate?

Answer:

In our best judgment, a supplemental funding need of $9.6 million continues to be the minimum necessary to meet our anticipated requirements for the Support of U.S. Prisoners appropriation. Much of the effect of the Administration's accelerated war against drugs is just now beginning to be felt. The problem of detaining a growing number of drug-related prisoners will continue as 1987 progresses.

INS Rescission

Question:

The INS recommends a rescission of $24,598,000 due to a reduced requirement for funds for immigration inspectors at air and sea ports which are to be funded from amounts collected from the "Immigration User Fee Account". It is our understanding that INS will fund not only the 557 positions identified in this rescission through the user fee, but also an additional 150 inspectors not currently on board. Is this true?

Answer:

No. INS plans to fund an additional 300 inspectors, which in 1987 will utilize 150 FTE workyears from receipts to the user fee account.

Question:

Do you foresee the additional 150 inspectors as being sufficient to reduce the airport delays envisioned when the user fee was included in the 1987 Appropriations Act?

Answer:

We foresee the 300 inspectors we plan on adding as sufficient to reduce the airport delays envisioned when the user fee was included in the 1987 Appropriations Act.

Question:

If the Congress fails to approve the rescission, does the Department plan to reprogram the funds for other purposes? If so, can you provide us the details of the proposal.

Answer:

If Congress does not approve the rescission, the Department plans to reprogram the funds to cover items requested in the 1987 supplemental appropriations request for INS. At present we have not developed a detailed proposal. We are hoping that Congress will support the Administration and approve the proposed rescission. As I understand, the 45-day period to act on the President's rescission proposal expired about March 15, 1987.

Pay Raise Supplemental

Question:

The Department requests a total of $29,476,000 associated with the January 1987 federal pay raise. Your total requirement for this pay raise is $59,940,000 and you plan to absorb a little over half this amount, $30,464,000. Do you believe you will have difficulty in absorbing this amount, especially considering your budget execution to date?

Answer:

Because the proposed absorption amounts have been known for some time, Department organizations have been able to take the steps necessary to absorb these amounts. Therefore, barring unforeseen emergencies, the Department as a whole will not have major difficulty absorbing half of the 1987 pay raise.

Question:

Do you believe the absorption will result in any RIFs, furloughs, or hiring freezes?

Answer:

We do not believe that RIFs or furloughs will result, however, we anticipate delaying hirings and leaving vacancies open for longer periods of time.

Question:

Do you anticipate having to reprogram funds to cover the absorption, and if so, do you have any idea from where?

Answer:

We may have to reprogram available funds from other areas to cover absorption of pay. This, however, will be difficult since a large portion of the Department's budget is for personnel and related expenses.

Question:

Please provide for the record the FY 1987 personnel compensation baseline from which the pay raise amounts were estimated, by appropriation.

Answer:

Following are the 1987 baseline personnel compensation amounts used to estimate the pay raise amounts.

Appropriation	Amount ($000)
General Administration	$36,423
U.S. Parole Commission	5,667
General Legal Activities	114,218
Foreign Claims Settlement Commission	375
Antitrust Division	25,769
U.S. Attorneys	208,869
U.S. Trustees	6,070
U.S. Marshals	88,385
Community Relations Service	3,531
Federal Bureau of Investigation	646,362
Drug Enforcement Administration	182,674
Immigration and Naturalization Service	309,524
Federal Prison System	
Salaries & Expenses	298,469
Buildings & Facilities	2,528
National Institute of Corrections	1,520
Total, Federal Prison System	302,517

Appropriation	Amount ($000)
Office of Justice Programs	13,155
TOTAL, Department of Justice	1,943,539

Increased Retirement Contributions

Question:

The Department requests a total of $68,651,000 for implementation costs of the new Federal Employees Retirement System (FERS). It is our understanding that your estimates are based on OMB-approved assumptions. Do you have any experience yet to confirm or deny those assumptions, at least for new employees?

Answer:

Although our data are preliminary, it appears that the assumptions used for new employees (those hired since December 31, 1983) are correct. We do not have sufficient experience to determine if the assumptions regarding the number of old employees (hired before December 31, 1983) who elect to switch or the percentage of the payroll paid to FERS employees are correct.

Question:

What is the basis for assumption that 40 percent of employees currently enrolled in the Civil Service Retirement System (CSRS) will transfer to the new system?

Answer:

This assumption was provided by OMB. Informally, it is our understanding that this is also the assumption used by the Congressional Budget Office in analyzing the proposed legislation. OMB did not permit the use of alternate assumptions unless the agency could "provide convincing justification for doing so."

It is our belief that law enforcement employees (who comprise more than 50 percent of the Department's payroll) may switch at a higher rate because of the enhanced benefits available to them under FERS, however, we have no experience yet to document this belief.

Question:

How many Justice personnel are in CSRS in FY 1987, and how many do you estimate will transfer between July 1, 1987 and September 30, 1987?

Answer:

Our 1987 request is based on 64,030 persons. This amount is composed of the 61,793 persons under CSRS as of the end of October, plus the 2,237 new positions authorized by the Congress in the 1987 appropriation.

Based on OMB instructions, we assumed that 20 percent of those eligible to transfer would do so on July 1, 1987, and the remaining 20 percent on December 31, 1987. This means that 12,806 persons will transfer between July 1 and September 30, 1987.

Question:

How much of your request is tied to this transfer?

Answer:

Of the total request of $68,651,000, $20,213,530 or approximately 29 percent of the total is related to CSRS personnel who transfer to FERS.

QUESTIONS FROM MR. ROYBAL

FY 1987 Supplemental Request

Special Counsel for Discrimination

Question:

The Department requested an FTE staffing level of 13 for the Office of Special Counsel. How did the Department arrive at the estimate and how did it assess the expected workload of the office?

Answer:

The 13 FTE planned for the Special Counsel are required to support the 30 positions required for 1987 based on the current start-up date of May 1987.

The Special Counsel is a new organization which resulted from the enactment of the Immigration Reform and Control Act of 1986. Because the activities planned are new, it is difficult to predict the workload of this component. However, the Department plans to establish an Office of Special Counsel in 1987 to handle the initial implementation of the anti-discrimination provisions, and has planned on a substantial increase in the size of the office for 1988.

Question:

How does the Department intend to handle discrimination complaints based on the new immigration bill at the district and regional levels? What additional resources will be required to establish field offices for the enforcement of the anti-discrimination provisions of the bill?

Answer:

The Department intends to make optional charge forms available at INS, EEOC, and United States Attorney offices throughtout the country. Written charges will be mailed to the Special Counsel at the Department in Washington. The Special Counsel and the Department will monitor the charge filing process and the office's workload to determine if there is a need for the establishment of regional offices. The current request does not include resources for the establishment of regional offices. It is unclear at this point whether such offices will be needed.

Question:

What has the Department done to monitor potential complaints based on adverse employer actions since enactment of the bill? Did the Department take into consideration outstanding allegations of discrimination when developing its plans for establishment of the Office of Special Counsel, and, if so, how is that reflected in the Department's request?

Answer:

The Department has worked diligently to establish the new Office of Special Counsel, which has responsibility under the Immigration Reform and Control Act of 1986 (IRCA) for conducting investigations of alleged violations of section 102 of the Act. To date, the Department has received only a few charges of discrimination under IRCA. Those charges which raise claims cognizable under Title VII will be given to the EEOC. Other charges potentially cognizable under IRCA will be held for delivery to the Special Counsel.

Question:

How is the Service coordinating its activities with the EEOC to ensure that complaints are filed with the proper agency and that complainants do not lose legitimate causes of action simply because of delays due to erroneously filing with the wrong entity?

Answer:

The Department is consulting with EEOC to ensure that procedures are in place to effectuate the "overlap" paragraph of the discrimination section. We are working with EEOC to develop procedures ensuring that complaints are not lost due to misfiling.

Legalization Program

Question:

What are the projected costs and staffing levels for the legalization program for 1987? What are the assumptions underlying those estimates, including the expected number of applicants, fee structure, and expected receipts in fees?

Answer:

Our projected expenses for the Legalization Program for 1987 are $148.6 million of which $125.2 million will be incurred by INS and the remainder will be incurred by FBI. These expenditures in 1987 and continued funding in 1988 will allow for the processing of up to 3.9 million applicants for temporary residence. The projected number of applicants was developed using census data and other estimates of the illegal alien population in the country. We have finalized our fee structure. It provides reduced rates for families.

Question:

List all the services for which applicants are expected to pay during the application process and your best estimates of the costs of each such service (including payments to individuals and entities other than INS, such as payments for assistance in preparing applications).

Answer:

All applicants must pay the INS fee for the processing of their application for temporary residence, $185. The application fee for a minor child living with his or her parents is $50. A maximum fee of $420 has been established for families. This fee covers work authorizations and identification cards for individuals who are approved for temporary residence.

Outside entities may require fees for services such as fingerprinting, photographs, and medical exams. It is difficult to estimate what an alien would pay for a medical exam. However, qualified designated entities may charge up to $25 per applicant for fingerprinting, photographs and processing of applications. In addition, they may charge applicants up to $75 to provide counseling and assistance in completing the application in the event that it is needed. We are paying qualified designated entities $15 to $16 for each application we accept for their assistance to the applicant in completing the application.

In isolated cases, aliens may file applications for waivers of grounds of excludability under Section 212(a) of the Act, as amended, in conjunction with their applications for temporary residence. Each application for waiver filed involves a $35 charge.

Aliens may also appeal denials of their applications for temporary residence. The charge established for filing an appeal is $50.

The fee to be charged for applications for permanent residence has not yet been established.

Question:

Estimate the total costs that a family of four would incur for the legalization process, assuming that they needed all of the above.

Answer:

A family of four would incur a cost of $420 for filing an application for temporary residence.

Qualified designated entities may charge up to $25 per applicant for fingerprints, photographs, and processing of applications. In addition, they may charge applicants up to $75 to provide counseling and assistance in completing the application in the event that it is needed. We have not been able to ascertain the fees that personal lawyers may charge.

Should it be necessary for a family member to file a wavier of grounds of exlusion or appeal the denial of an application for temporary

residence, the fees established for these procedures would have to be paid. It is not probable that the average family will have to pay these costs.

Question:

What are the fees that INS currently charges for comparable services, such as processing of registry date applications?

Answer:

The House-Senate Conference Report on the Immigration Reform and Control Act of 1986 indicates that the conferees intended that the fee to be charged under the legalization program should be comparable to the fee charged an alien entering the United States as an immigrant. The fee charged for immigrant visa processing is $185, which includes $35 for each relative petition and $150 for each visa issued by the Department of State. The fee for processing a registry date application will remain $50.

Question:

INS has requested 292 positions, 1,002 FTE, and $125,241,000 for the Legalization Program. A fee structure will be established to reimburse the costs related to the legalization activities of INS and the FBI. It was recently reported that INS will charge $175 per application and $400 for each family application. In discussing the following question, use the data developed to support these two fees.

What costs will be included in establishing the fees to be charged to applicants under the legalization program? For example, will cost include funding for research into development of fraud resistent documents, training for personnel staffing the offices and high speed data and communications systems?

Answer:

INS has not requested any appropriated positions for legalization. All costs to the INS will be included in the fee. These costs include: establishment and administration of over 100 offices nationwide, the trained personnel to operate them, all equipment, furniture and supplies, as well as the automated systems to support the program.

Question:

Given that the fee structure is designed to cover INS' and the FBI's costs and is related to the number of applicants, what will happen to the fees should INS significantly over/underestimate the number of applicants? Would the fees be adjusted? For

example, if only a small number of applicants come forward for amnesty, would the fees have to be significantly increased? Would INS try and collect additional sums from the applicants? Would INS retain the additional monies if its fees are too high? Would monies be refunded in such cases?

Answer:

We do not intend to adjust the fees for temporary residence. We will establish a fee for adjustment to permanent residence that will allow the program to be self-supporting. That is, if the number of temporary residence applicants who come forward runs high we will be able to set a lower fee for adjustment to permanent residence.

Question:

Explain what costs of the FBI are to be included and for what type of activities? Are any other agencies and organizations assisting in the legalization program? If so, who are they and how will their costs be included in the fees?

Answer:

The FBI's activities will include name and fingerprint checks for all applicants. There are no other Federal agencies or organizations assisting in the legalization program whose costs will be covered by fees. States will be reimbursed for background and other checks requested by INS.

Legalization and Overview

Question:

INS states that it will establish about 100 temporary offices in key locations and four regional processing centers (page 4 of the Legalization budget) and has requested 292 positions, 1,002 FTE, and $125.2 million. What is the basis for these estimates? Is it related to anticipated caseload data (e.g., number of expected applicants)?

Where will the 100 or so offices be located? What was the basis for the site selections? For example, how many will be in the Los Angeles District Office? Why that number? What input from outside organizations (e.g., church groups who work with undocumented workers) was obtained in their selection?

Answer:

INS has not requested any appropriated positions to support legilization. The temporary office sites were established based on projections from the 1980 census, as well as surveys of INS districts and volunteer agencies who are familiar with alien populations.

The legalization offices will be in the following locations:

Eastern Region

BAL	Baltimore, MD
BOS	Boston, MA
	New Haven, CT
	Springfield, MA
BUF	Buffalo, NY
	Syracuse, NY
NEW	Camden, NJ
	Jersey City, NJ
	Paterson, NJ
NYC	Brooklyn/Queens, NY
	Manhattan, NY
	Nassau/Suffolk, NY
PHI	Lima, PA
	Pittsburgh, PA
	Charleston, WV
SAJ	San Juan, PR
WAS	Arlington, VA

Northern Region

ANC	Anchorage, AK
CHI	Four sites to be determined in the greater Chicago area.
	Indianapolis, IN
	Milwaukee, WI
CLE	Cincinnati, OH
	Cleveland, OH
DEN	Denver, CO
	Grand Junction, CO
	Pueblo, CO
	Salt Lake City, UT
DET	Detroit, MI
HEL	Boise, ID
	Helena, MT
	Idaho Falls, ID
KAN	Garden City, KS
	Kansas City, MO
	St. Louis, MO
	Wichita, KS
OMA	Davenport, IA
	Des Moines, IA
	Omaha, NE
	Scotts Bluff, NE
POO	Pendleton, OR
	Portland, OR
SEA	Pasco, WA
	Seattle, WA
	Wenatchee, WA
	Yakima, WA
SPM	Twin Cities, MN

Western Region

HHW	Agana, GU
	Honolulu, HI
LOS	Anaheim, CA
	E. Los Angeles, CA
	El Monte, CA
	Hollywood, CA
	Huntington Park, CA
	Indio, CA
	N. Long Beach, CA
	Norwalk, CA
	Oxnard, CA
	Pomona, CA
	Riverside, CA
	San Fernando, CA
	Santa Ana, CA

Southern Region

ATL	Atlanta, GA
	Charlotte, NC
DAL	Dallas, TX
	Lubbock, TX
	Oklahoma City, OK
ELP	Albuquerque, NM
	El Paso, TX
HLG	Harlingen, TX
HOU	Houston, TX
MIA	Jacksonville, FL
	Miami, FL
	Miami, (Opa Locka), FL
	Miami, (SW), FL
	Miami, (West Flagler), FL
	Tampa, FL

Western Region

	Torrance, CA
	Van Nuys, CA
PHO	Las Vegas, NV
	Phoenix, AZ
	Reno, NV
	Tucson, AZ
	Willcox, AZ
	Yuma, AZ
SND	El Centro, CA
	Escondido, CA
	San Diego, CA
SFR	Bakersfield, CA
	Eureka, CA
	Fresno, CA
	Oakland, CA
	Redding, CA
	Sacramento, CA
	Salinas, CA
	San Francisco, CA
	San Jose, CA
	Stockton, CA

Southern Region

	West Palm Beach, FL
NOL	Memphis, TN
	New Orleans, LA
SNA	Austin, TX
	Corpus Christi, TX
	Laredo, TX
	San Antonio, TX

The Los Angeles area will have 15 legalization sites, and have a capacity to handle over 3,000 applications per day. Our Los Angeles District Office management has worked very closely with volunteer agencies in the area.

Question:

The legalization program will be started in May of this year and suboffices will be opened specifically to handle applicants for temporary residence who have lived here prior to January 1, 1982. Will the employees who work in these offices be present employees, new hires or a mix of both? If employees are to be transferred from your district offices, what will be the impact on services at these offices?

Answer:

There will be a mixture of new hires, reemployed annuitants, and current INS employees. Local district directors will consider impact on their operation when determining sources of recruitment for staffing the legalization offices.

Overall/General

Question:

INS has limited resources to provide the services to the alien population. With the new legislation, INS has greatly increased its service-related mission.

What impact will the new Act have on your ability to carry out your existing responsibilities (e.g., adjudication and naturalization) especially in view of the large number of requests for information regarding status of cases and the time people spend waiting in very long lines to discuss immigration-related matters with overworked INS staff?

Answer:

We have taken into account the possibility that the Reform Act could have some impact on existing activities in adjudications and naturalization. In view of the level of resources being added for the implementation of the legislation, we feel that existing operations will not be negatively affected. Service management will continue to concentrate on improving services to INS's clients and reducing waiting time.

Question:

Will the emphasis to implement the legalization and enforcement aspects of the new immigration Act have any effect on the services you now provide the public. In other words, will this be of such a high priority that personnel and resources from various activities will be transferred to assist in implementing the new Act with the resultant effect that the normal immigration services provided in prior years will take even longer--longer lines when arriving at your district offices and increased complaints of people attempting to contact you by telephone.

Answer:

We do not envision that the emphasis that is being placed on implementing the Reform Act will have a significant impact on normal immigration activities. The Administration is keenly aware of the need to continue operations of the basic INS program while minimizing the impact of efforts related to the Reform Act. Service managers are taking appropriate steps to assure that normal operations continue in a satisfactory manner and that planned improvements in the delivery of services are implemented as planned.

Question:

Your district offices have been sharply criticized in certain locations including my own district of Los Angeles about the long lines of people who have to wait to obtain service in person and the complaints of people attempting to contact your agency by telephone. What actions has your agency taken to alleviate these problems and have they been successful? Have the waiting times gone down?

Answer:

INS has moved to address these problems as effectively as possible. With respect to responding to telephone inquiries, the Service over the past several years has worked systematically on improving both

telephone accessibility to the public and its responses to phone inquiries. In 1984, INS established the Western and Eastern Telephone Service Centers to serve the calling public in nine major cities, four in California (Los Angeles, San Diego, San Francisco and San Jose) and five in the East (New York City, NY; Newark, NJ; Philadelphia, PA; Boston, MA; and Hartford, CN). Since the implementation of the Regional Center approach, the Service's ability to respond to phone inquiries has risen dramatically. At present, for example, the Western Center assists approximately 60,000 callers per month. For Los Angeles alone, annual call volumes were about 254,000 calls answered prior to establishing the Western Center. Since the Center was established, an average of 398,000 Los Angeles callers are assisted per year, an increase of 56%.

At present, nationwide, "Ask Immigration" (AI) message library telephone answering systems are operating in 24 major cities (6 with completely automated systems and 18 with systems involving Tape Librarians--Operator Assisted Systems). By the end of March 1987, automated AI systems will have been installed in 3 more cities, bringing the total to 27.

INS is very sensitive to the problem of public lines at Los Angeles and several other major district offices. The Service is presently engaged in a study to identify and analyze the major factors which contribute to this problem in order to develop viable permanent solutions. To some extent, the need for additional staff to serve the public has been a recurring problem due to constraints beyond the control of INS. In the case of the Los Angeles District Office, management at that office has recently instituted a process of scheduling "guaranteed" appointments for those persons each day who are not served because the available tickets for that day have been exhausted. Now, persons either still in line or those with tickets not reached that day are referred to a clerk for a letter granting them a specific future appointment. Typically, because of the volume of people coming into the Los Angeles office each day, the appointments are running about two weeks from the date of receipt of the letter. Persons with bonafide emergency circumstances are granted more immediate appointments.

In addition, two telephone lines are being installed for the public to contact the Los Angeles office to make appointments without having to wait in line. The office is investigating the possibility of offering extended business hours during the week as well as being open to the public on Saturdays as another way of helping to relieve this problem and better serve the public.

In June 1987, we will increase the information services staff directly serving the public at the Los Angeles District Office by four people. We believe that this will certainly provide better service to the public along with other improvements which have been made.

A comprehensive field study and analysis is being done now, involving major offices, to identify major factors which contribute to long public lines. The results of the study will be used to effectively

address the problem with lines. This study will produce information which allows the formulation of estimates of waiting time and an assessment of the effectiveness of measures to reduce it. We do not at this time have information on average waiting times.

The study will be focused on developing approaches to increase the volume of people served in major offices. The direct effect of increasing service volumes with existing or enhanced resources will be reduced waiting time.

1987 Supplemental Justification of Requirements

Question:

The INS Supplemental request for 1987 indicates an increase of 254 positions for your Information and Records Management activity. How and on what basis will these positions be allocated to your district offices? How are your cases per district and per worker in each district handled? What is your goal for case processing? How many of these positions will be allocated to your Los Angeles District Office? Is your Los Angeles District Office, as well as other offices, adequately staffed to meet your goals? If not, why have you not requested additional staff positions in your 1988 budget?

Answer:

The positions will be allocated to the INS district offices according to known and projected program workloads. Of the 254 positions, 82 are allocated to support Information and Records for the Systematic Alien Verification for Entitlements (SAVE) Program, 96 are to support employer sanctions employment verification activities and 76 are added requirements of the enhanced border enforcement and special agricultural workers programs.

The goal for case processing for these positions is to provide immediate information and records support to the associated enforcement and agriculture activities.

The Los Angeles District Office will be allocated 22 of the 254 positions. Based on current projections of workload, this should be adequate staffing to meet our goals. The same is true for other INS offices. Positions can be shifted if actual workload levels are higher than those projected during the program planning phase.

Test of INS Library System

Question:

In 1986, you indicated a fully automated, disk expandable system was installed at San Jose to test and evaluate the equipment capability to provide direct local access to the Ask Immigration

library tapes and then forward calls needing assistance to Western Telephone Service Centers. What were the results of your test and evaluation and will the system improve your operations in that Center's area of operation, especially the Los Angeles District Office?

Answer:

The experience with the San Jose test and evaluation has been successful in dramatically expanding service to the calling public throughout the San Jose area. Prior to this test, all local San Jose callers could only get into the Ask Immigration (AI) library system through five long distance lines into the Western Center located in Los Angeles. With the automated disk system installed at the San Jose INS office, local callers can now call directly by way of 14 local phone lines connected into the disk system which instructs each caller on how to use the system and enables callers to select any message they desire. Experience over the years has shown that 70% of all callers are satisfied by the AI library subject messages, with only 30% needing additional "live assistance" beyond the AI recorded subject message. This has also proven to be the case in the San Jose test. This system enabled INS to expand phone service from 5 to 14 lines without requiring additional costly long distance lines into that Center.

Plans are now being implemented, based on tests of automated disk expandable telephone answering equipment at San Jose, to install similar systems for Los Angeles, San Diego and San Francisco before the end of 1987. The local lines serving Los Angeles will be expanded to 28 when installation of the equipment occurs later this year.

These automated systems will allow INS to increase substantially the number of local phone lines for the public access to information contained in more than 50 subject tapes.

1987 Supplemental for FTS

Question:

An increase in FTS charges for this activity as well as for data and communications systems is requested. What will be the effect of any of these increases on these activities, i.e., will you decrease availability of telephone or number of the people who handle the calls? Also, what will be the effect of these changes on the expansion of such systems?

Answer:

If supplemental funding is not allowed for the FTS rate increase, we will be forced to find other ways to fund these costs by using funds in other parts of the budget. INS is well aware of the need to maintain and improve telephone access to its numerous offices. This access will not be reduced and planned system improvements will be implemented to the extent that available funding will permit.

Language Abilities of INS Staff

Question:

Your Los Angeles District Office handles a multinational population who speak various foreign languages. How capable is your staff in communicating with such people? What types of delays do you encounter in Los Angeles and elsewhere due to the inability of your staff to communicate with certain nationalities? How do you plan to improve the communication and language skills of your staff in order to respond at the new legalization offices?

Are you able to retain personnel with good communication and language skills on your information staff or do they transfer for promotional purposes to other areas of the INS and elsewhere? If so, have you any plans for improving the incentive for

people to continue serving in these areas? In addition, how will your legalization suboffices be staffed as to capability to communicate in various foreign languages.

Answer:

The information services staff at the Los Angeles INS office is most capable of effectively serving a multinational population. At present the Los Angeles information staff is authorized 36 positions: four supervisors, one clerk, 27 Immigration Information Officers, and four Freedom of Information Specialists. Of these, 13 are fluent in Spanish, three are fluent in Tagalog, three are fluent in French, one is fluent in Korean, three are fluent in German, and one is fluent in Italian. In addition to the above, three other staff members are moderately fluent in Spanish. There are no studies or data available on what, if any, delays have been created solely because of language problems. Based on reviews by INS' field audit staff, GAO and day-to-day observations by management of the Los Angeles information services operations, there are no major apparent problems or delayed service to the non-English speaking public.

INS strives to ensure that sufficient proportions of its information services staff in any office serving a multinational population include persons fluent in the most frequently encountered languages of the area. INS personnel hiring practices require the ability to speak, read and write necessary foreign languages tailored to the multinational profile of the population being served. The Service will continue including fluency in various foreign languages as a requirement of selected jobs in the information services area at all legalization offices based on the anticipated alien populations to be served.

Information services personnel are recruited by other elements of INS offering jobs with greater promotional potential. We seek to replace them with similarly qualified and language skilled people.

Immigration Support Activities

Question:

In the budget request for the supplemental appropriation for 1987 and for the 1988 appropriation, INS is requesting an increase of $1.4 million for its immigration support activities (e.g., training, data and communication systems, etc.). Will this increase be sufficient for INS to adequately carry out its support activities given the prior problems in providing needed service to the alien population? For example, how will the case processing times be changed and how long will people be waiting to see an INS official or have a call answered?

Answer:

We feel that these funds will be adequate to carry out the activities related to INS' public service mission, including reduction of case processing times and expediting responses to inquiries for the public.

WEDNESDAY, MARCH 11, 1987.

FEDERAL BUREAU OF INVESTIGATION

WITNESSES

WILLIAM H. WEBSTER, DIRECTOR

JAY A. BRIXEY, INSPECTOR-DEPUTY ASSISTANT DIRECTOR, ADMINISTRATIVE SERVICES DIVISION

JOHN D. GLOVER, EXECUTIVE ASSISTANT DIRECTOR-ADMINISTRATION

EDWIN J. SHARP, ASSISTANT DIRECTOR, ADMINISTRATIVE SERVICES DIVISION

WILLIAM A. BAYSE, ASSISTANT DIRECTOR, TECHNICAL SERVICES DIVISION

ANTHONY E. DANIELS, INSPECTOR-DEPUTY ASSISTANT DIRECTOR, CRIMINAL INVESTIGATIVE DIVISION

THOMAS E. DUHADWAY, INSPECTOR-DEPUTY ASSISTANT DIRECTOR, INTELLIGENCE DIVISION

HARRY H. FLICKINGER, ACTING ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

ROBERT N. FORD, COMPTROLLER

MICHAEL J. ROPER, DEPUTY COMPTROLLER FOR BUDGET

GENERAL STATEMENT

Mr. SMITH. Continuing with our review of the Department of Justice we will now hear the testimony from the Federal Bureau of Investigation. We are pleased to welcome back the Director of the FBI, William H. Webster.

[The budget justifications submitted in support of this request follow:]

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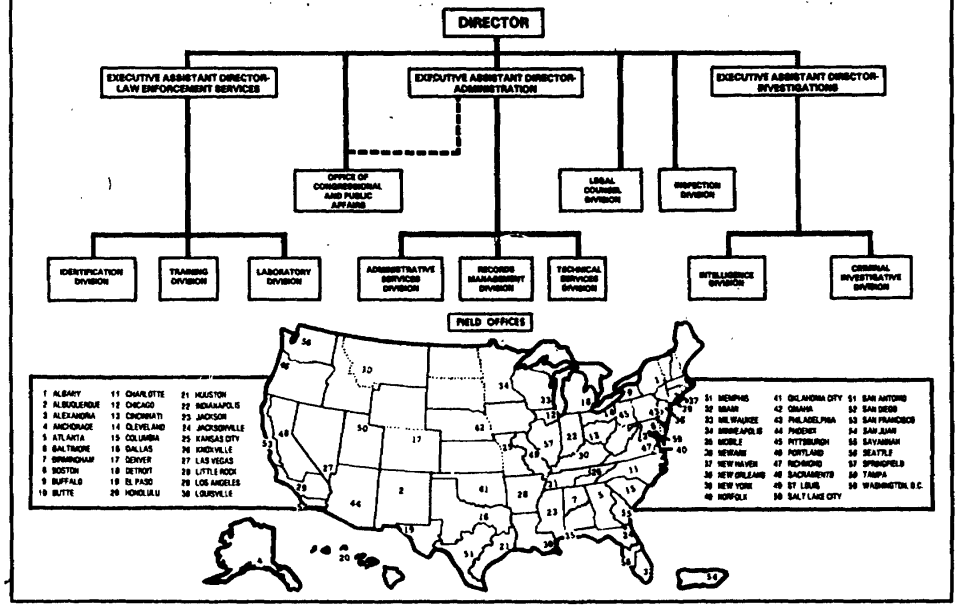
Department of Justice
Federal Bureau of Investigation
Estimates for Fiscal Year 1988
Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes to the Appropriation Language	6
Crosswalk of 1987 Changes	9
Summary of Requirements	11
Summary of Resources by Program	12
Justification of Program and Performance:	
Criminal, Security, and Other Investigations	14
Investigative Support	52
State and Local Assistance	79
Program Direction	93
Financial Analysis - Program Changes	106
Priority Rankings	108
Detail of Permanent Positions by Category	109
Summary of Adjustments to Base	110
Justification of Adjustments to Base	111
Summary of Requirements by Grade and Object Class	116
Status of Construction and Summary of New Facilities Requirements	120
Consulting and Related Services	122

17730

U.S. Department of Justice
Federal Bureau of Investigation

Organization Of The FBI



Federal Bureau of Investigation

Summary Statement

Fiscal Year 1988

For 1988, the FBI is requesting a total of $1,484,421,000 in funding, 22,974 permanent positions, and 22,267 workyears. These direct funded resources represent program increases of $75,775,000 in funding, 718 permanent positions and 494 workyears over the 1988 base level. The 1988 request includes a total of 9,807 agent positions and 13,167 support positions (9,470 agent workyears, 12,797 support workyears). The program increases in these categories are 253 agent positions and 465 support positions (157 agent workyears, 337 support workyears).

The FBI's request is being submitted only after an excruciating internal examination of all aspects of the FBI's resource requirements. This request achieves a fair degree of equanimity between expanded FBI responsibilities and the existing fiscal environment. The 1988 budget represents a commitment by the Administration to maintain the FBI as a nationwide, general purpose law enforcement agency. In order for the FBI to investigate the wide range of criminal violations for which it is responsible, additional resources are critical. A primary theme of the FBI's request is the necessity to achieve balance between a significantly augmented investigative capability over the past five years and unproportional growth in Administrative Services to support the investigative functions. Over the past five years, the FBI has grown by 2,921 workyears, a 15.4 percent increase from 1983 to 1987, while Administrative Services has grown by only 40 workyears, or 5.1 percent. The FBI will continue to emphasize Foreign Counterintelligence (FCI); Organized Crime, including drug enforcement; White-Collar Crime; and Terrorism investigations as nationwide investigative priorities. Additional administrative support is acutely needed to ensure that FBI special agents have the necessary resources, both personnel and nonpersonnel, to meet their responsibilities in these and other investigative areas.

The FBI's budget request for 1988 contains four budget activities incorporating nineteen decision units. The budget activities are: Criminal, Security, and Other Investigations; Investigative Support; State and Local Assistance; and Program Direction. The major initiatives and resource requests for 1988 for the above-mentioned activities are summarized below:

Criminal, Security, and Other Investigations:

The principal investigative programs of this activity are FCI, Organized Crime, Organized Crime Drug Enforcement, White-Collar Crime, Terrorism, General Crimes, and Civil Rights, Applicant and Other Investigations. A program increase of 629 positions, 441 workyears, and $44,972,000 is requested in this activity over the 1988 base level.

To counter the human intelligence threat, the FBI engages in FCI activities designed to reduce the effectiveness of the hostile intelligence presence in the United States.

1732

Organized Crime investigations will focus on the La Cosa Nostra's criminal control and domination of four major national and international unions in the United States: The International Brotherhood of Teamsters; the Laborers' International Union of North America; the Hotel Employees International Union; and the International Longshoremen's Association. The resources requested will enable the FBI to increase investigative activities, seize assets and initiate forfeiture actions, and prosecute members of organized criminal groups. The FBI will be able to participate more effectively in Organized Crime Drug Enforcement Task Force endeavors. The Organized Crime Drug Enforcement enhancements will permit the FBI to continue working closely with the Drug Enforcement Administration (DEA), Internal Revenue Service, and U.S. Customs Service, as well as foreign authorities, to penetrate drug trafficking enterprises in a manner in which financial assets can be tied to high-level drug activities so that seizures can be made. Organized Crime increases include 106 agent and 139 support positions, for a total of 245 positions. The Organized Crime Drug Enforcement Program includes a request for an enhancement of 12 agent positions. Increases in budget authority include $13,588,000 for Organized Crime and $1,956,000 for Organized Crime Drug Enforcement, or a total of $15,544,000.

Fraud Against the Government, affecting the 13 departments and 57 agencies of the Executive Branch, is the number one investigative priority of the FBI's White-Collar Crime Program. Of primary concern are Department of Defense (DOD) procurement frauds which involve improper charges for labor, defective pricing, product substitution, and false test certifications. From 1984 to 1985, the number of DOD procurement fraud investigations being conducted by the FBI increased 36 percent. In 1985, 954 convictions and pretrial diversions were obtained as a result of FBI investigative efforts in governmental fraud cases. Over two dozen criminal convictions were obtained against major defense contractors throughout the country following joint investigations with DOD. It is expected that there will be an increasing number of FBI investigative matters in this area through 1991. From 1983 to 1985, the number of bank fraud and embezzlement matters with losses in excess of $100,000 increased from 1,513 to 2,046, a 35 percent increase. A significant number of these investigations involved bank failure fraud matters. It is anticipated that the number of major bank fraud and embezzlement cases will continue to escalate into 1991. The White-Collar Crime Program enhancements include 42 agent and 38 support positions, for a total of 80 positions. The augmented budget authority for this program is $2,003,000.

The FBI's Terrorism Program includes efforts to address the terrorism problem through intelligence / criminal investigations. With heightened Puerto Rican terrorist activity, the apparent resurgence of Jewish terrorist groups, and the continuing threat posed by domestic right-wing terrorist groups (i.e., Sheriff's Posse Comitatus, Aryan Nations, Arizona Patriots, etc.), the domestic terrorism threat is not expected to diminish. Additional personnel are required to address the new responsibilities generated as a result of the passage of the 1984 Comprehensive Crime Control Act (CCCA), specifically, Title 18, USC 1203, to wit: Hostage Taking. In the past year, significant resources were expended on four investigations of hostage taking abroad. The FBI has acquired jurisdiction and authority to act, where deemed appropriate, in certain terrorist related hostage situations both within the United States and internationally. There has been a direct correlation between workyears expended and the number of terrorist incidents prevented. As workyear utilization has increased substantially since 1982, the annual number of preventions has increased from three in 1982 to seven in 1986.

Investigative Support:

The programs within this activity are: Training; Forensic Services - Federal; Automatic Data Processing and Telecommunications; Legal Attaches; Records Management; and Technical Field Support and Equipment. This activity provides the training and "tools" necessary to meet the demands of the FBI's investigative objectives. It includes the maintenance of all investigative records and the entire FBI communications system. A program increase of 50 positions; 15 workyears; and $26,653,000 is requested for 1988.

In August 1985, the Attorney General directed that the FBI take the lead in the design, development, and implementation of a single, integrated VHF Digital Voice Privacy (DVP) radio system to support the tactical radio requirements of the FBI, DEA, and United States Marshals Service. A single DVP architecture will ensure compatibility of radio communications among the three agencies. This is particularly important when the concurrent jurisdiction of the FBI and DEA in narcotics matters is considered. DVP increases include 50 support positions, budget authority of $703,000 for personnel and $10,450,000 for nonpersonnel funding, or a total of $11,153,000. The major nonpersonnel enhancements will be $10,000,000 for DVP radio equipment and $450,000 for motor vehicles. Current FBI plans call for the architecture and design to be completed in 1987, with the construction of the integrated system to begin in 1988.

Another noteworthy funding initiative is the Engineering Research Facility (ERF). This request builds upon the course of action, approved by the Director, FBI, in October 1983, that established coordination between FBI and DEA engineering entities in order to standardize the technical equipment of both agencies and avoid duplication of research and development (R&D) projects. In 1985, the FBI received $9,982,000 for the construction of an engineering research facility to accommodate the collocation of FBI and DEA engineering and R&D activities. An architectural and engineering study estimates the facility will cost approximately $36,511,000 to complete. The ERF will provide the combined FBI/DEA engineering and R&D staff with a versatile, state-of-the-art facility supporting an in-house rapid prototyping/quick reaction capability and the integrated voice privacy radio system. The collocation of staffs and activities is essential for this merger to be successful. It will also serve as a cost containment factor in the development of new technology and the coordination of equipment procurement and use. Additional funding totaling $13,000,000 is required in 1988 to continue construction of the ERF as planned.

Several nonpersonnel items are vital to the FBI. The FBI is requesting $2,500,000 for dormitory furniture for a third dormitory to be completed at the FBI Academy in 1988; $4,051,000 in additional funds is required for aircraft operations; $5,530,000 is needed for confidential expenditures; $11,358,000 is necessary for a technologically advanced system to streamline the acquisition and translation of recorded conversations; and $750,000 is essential for the witness security program.

State and Local Assistance:

The FBI provides state and local law enforcement officials with training, laboratory, fingerprint identification, and information services. No program enhancements are requested for these services in 1988. The following programs are included in this activity: General Law Enforcement Training; Forensic Services - Non-Federal; Fingerprint Identification; and Criminal Justice Data and Statistics Services. These services are important to state and local law enforcement and, as a result, Federal law enforcement receives valuable reciprocal services from state and local authorities.

Program Direction:

This activity consists of two programs: Executive Direction and Control and Administrative Services. Included are the executive direction, administrative, legal, planning, inspection, and financial management functions of the FBI. Emphasis is being focused on the relatively small, but very essential, request for Administrative Services enhancements. The FBI requires four agent and 35 support positions, and associated funding of $4,150,000 in budget authority for all aspects of Administrative Services. These resources will enable the FBI to maintain efficient financial services and effective personnel management, including the requisite recruiting and hiring of personnel.

Federal Bureau of Investigation

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1988 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For expenses necessary for detection, investigation, and prosecution of crimes against the United States; including purchase for police-type use of not to exceed [one thousand five hundred seventy-nine] passenger motor vehicles of which [one thousand four hundred fifty] will be for replacement only, without regard to the general purchase price limitation for the current fiscal year, and hire of passenger motor vehicles; acquisition, lease, maintenance, and operation of aircraft; and not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; [$1,260,000,000,] of which not to exceed $10,000,000 for automated data processing and telecommunications and $1,000,000 for undercover operations shall remain available until September 30, [1988]; of which $3,000,000 for research related to investigative activities shall remain available until expended; and of which not to exceed $500,000 is authorized to be made available for making payments or advances for expenses arising out of contractual or reimbursable agreements with State and local law enforcement agencies while engaged in cooperative activities related to terrorism: Provided, That [notwithstanding the provisions of title 31 U.S.C. 3302], the Director of the Federal Bureau of Investigation may establish and collect fees to process fingerprint identification records for noncriminal employment and licensing purposes, and credit not more than [$15,500,000] of such fees to this appropriation to be used for salaries and other expenses incurred in providing these services: Provided further, That not to exceed [$45,000] shall be available for official reception and representation expenses.

Two thousand
One thousand six hundred fifty

$1,484,421,000,

1989
of which $13,000,000 for the construction of the Engineering Research Facility shall remain available until expended; of which $11,358,000 for a highly sophisticated system to assist in language translation and recording for the New York field office shall remain available until expended;

notwithstanding the provisions of 31 U.S.C. 3302,
$17,500,000

$70,000

[:Provided further, That $13,800,000 for the expansion and renovation of the New York field office shall remain available until expended].

(28 U.S.C. 524, 531-37; 18 U.S.C. 3052, 3059; 22 U.S.C. 4081, 4084; Department of Justice Appropriation Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(b); additional authorizing legislation to be proposed.)

[For an additional amount for "Salaries and expenses", $2,000,000]

(Omnibus Drug Supplemental Appropriations Act of 1987, as included in Public Laws 99-500 and 99-591, Title II.)

Explanation of Changes:

1. Language is being requested for the purchase of additional motor vehicles to support personnel increases and for operational flexibility. This is required because the FBI has not been able to purchase the additional vehicles needed to support investigative personnel increases over the past two years. Currently, the FBI has purchased all additional vehicles allowed for 1987, although there is a documented need for an additional 120 vehicles. At the end of 1986, the FBI had 2,208 vehicles which exceeded the current replacement cycle of six years or 60,000 miles. Therefore, the FBI is requesting a change in language to allow the procurement of 1,650 replacement vehicles. For 1988, the FBI anticipates that funding will be available to procure approximately 1,850 vehicles, and flexibility is required in the determination as to whether to procure additional vehicles or replacement vehicles. Therefore, a total ceiling of 2,000 vehicles is required.

2. The $13,000,000 for the construction of the Engineering Research Facility is requested as "until expended" because of the multiyear nature of this construction project.

3. The funding of $11,358,000 for a highly sophisticated system to assist with language translation and recording is requested as "until expended" because of the multiyear nature of this project.

4. In regard to the increase for reimbursable fingerprint services, the current ceiling of $15,500,000 will not allow the User-Fee Program to retain sufficient funds to cover all costs incurred in 1988. The estimated workload of 1,221,000 revenue prints at the 1987 fee of $14 would produce $15,995,000 in revenue. The proposed ceiling of $17,500,000 would allow for increases in workload above the current estimates and/or increases to the 1987 fee, if necessary, without adversely affecting the program.

5. Language is being requested to reflect an increased level of expenditures by Headquarters and the Legal Attaches for reception and representation purposes.

6. Language concerning the carryforward of $13,800,000 in funding for the expansion and renovation of the New York field office is being deleted since such language is already contained in the Department of Justice Appropriation Act of 1987.

Federal Bureau of Investigation

Salaries and expenses

Crosswalk of 1987 Changes
(Dollars in thousands)

Activity/Program	1987 President's Budget Request			Congressional Appropriation Actions on 1987 Request			1987 Supplementals Requested		Reprogrammings			1987 Appropriation Anticipated		
	Pos.	WY	Amount	Pos.	WY	Amount	Program Amount	Pay Amount	Pos.	WY	Amount	Pos.	WY	Amount
1. Criminal, Security, & Other Investigations:														
a. Other Field Programs	8,942	8,635	$505,382	...	...	-$7,210	$6,484	$13,487	-14	-14	-$406	8,928	8,621	$517,737
b. Organized Crime	2,696	2,611	133,132	...	...	-569	81	4,448	-7	-7	-225	2,689	2,604	136,867
c. OCDE	486	480	34,436	48	48	3,877	...	1,161	...	...	...	534	528	39,474
d. White-Collar Crime	3,054	2,948	153,491	...	...	-635	1,121	5,100	-9	-9	-171	3,045	2,939	158,906
Subtotal	15,178	14,674	826,441	48	48	-4,537	7,686	24,196	-30	-30	-802	15,196	14,692	852,984
2. Investigative Support:														
a. Training	401	390	23,508	...	...	-87	...	332	-13	-13	-577	388	377	23,176
b. Forensic Services-Federal	322	311	18,460	...	...	-60	...	485	14	14	635	336	325	19,520
c. ADP & Telecommunications	611	596	136,080	-22	-20	-6,667	1,989	631	-10	-10	-365	579	566	131,668
d. Legal Attaches	76	74	5,470	...	...	-15	...	102	2	2	68	78	76	5,625
e. Records Management	1,266	1,225	39,129	...	...	-193	...	1,181	...	...	...	1,266	1,225	40,117
f. Technical Field Support and Equipment	154	151	77,166	...	...	-8,166	...	170	-2	-2	-116	152	149	69,054
Subtotal	2,830	2,747	299,813	-22	-20	-15,188	1,989	2,901	-9	-9	-355	2,799	2,718	289,160
3. State and Local Assistance:														
a. General Law Enforcement Training	283	275	12,385	...	...	4,223	...	748	...	...	...	283	275	17,356
b. Forensic Services-Non-Federal	122	119	8,359	...	...	-233	...	220	...	...	...	122	119	8,346
c. Fingerprint Identification	2,573	2,585	75,860	...	...	-469	...	2,866	10	10	365	2,583	2,595	78,622
d. Criminal Justice Data and Statistics Services	207	202	8,501	...	...	-28	...	190	-2	-2	-117	205	200	8,546
Subtotal	3,185	3,181	105,105	...	...	3,493	...	4,024	8	8	248	3,193	3,189	112,870

Crosswalk of 1987 Changes (Continued)
(Dollars in thousands)

Activity/Program	1987 President's Budget Request Pos.	WY	Amount	Congressional Appropriation Actions on 1987 Request Pos.	WY	Amount	1987 Supplementals Requested Program Amount	Pay Amount	Reprogrammings Pos.	WY	Amount	1987 Appropriation Anticipated Pos.	WY	Amount
4. Program Direction:														
a. Executive Direction and Control	522	503	$24,046	...	...	-$102	...	$622	-3	-3	-$115	519	500	$24,451
b. Administrative Services	715	698	23,005	...	...	-76	...	571	34	34	1,024	749	732	24,524
Subtotal	1,237	1,201	47,051	...	...	-178	...	1,193	31	31	909	1,268	1,232	48,975
Total	22,430	21,803	1,278,410	26	28	-16,410	9,675	32,314	...	...	...	22,456	21,831	1,303,989

Congressional Appropriation Actions

The Congress reduced requested program increases by 22 positions and workyears and $5,520,000 and uncontrollable increases by $4,167,000. Additional resources were provided for narcotics initiatives, including 48 workyears and $6,000,000, of which $2,000,000 was for digital voice privacy radio. Restoration of funds sequestered in 1986 under the Balanced Budget and Emergency Deficit Control Act of 1985 totaled only $34,982,000, resulting in a reduction of $17,005,000 in 1987.

Supplementals Requested

Supplementals requested include: $9,309,000 for increased pay pursuant to Public Law 99-500; $23,005,000 for implementation of the Federal Employees' Retirement System; $2,000,000 for rental of space; $1,989,000 for Federal Telecommunications System costs; and $5,686,000 for a reappropriation request under the existing legislation.

Reprogrammings

These reprogrammings are the result of transfers and the reallocation of personnel due to increases in workload and functional transfers between and among decision units. A major reprogramming included the Administrative Services Division reorganization, which involved the division of the Budget and Accounting Section into separate sections for Budget and Accounting and expanded financial management analytical support. Additionally, personnel resources to provide programming development and support of the Automated Identification Division System (AIDS) within the ADP & Telecommunications Program were reallocated to the Fingerprint Identification Program in anticipation of full AIDS-III operations beginning in September 1987. Also, the FBI Bomb Data Center was transferred from the Training Program to the Forensic Services - Federal Program in order to consolidate similar activities and functions within one management area.

1740

Federal Bureau of Investigation

Salaries and Expenses

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Positions	Workyears	Amount
1987 as requested	22,456	21,831	$1,262,000
1987 pay and retirement supplementals requested	...	...	32,314
1987 program supplemental requested	...	...	9,675
1987 appropriation anticipated	22,456	21,831	$1,303,989
Savings resulting from management initiatives	-200	-200	-2,000
Uncontrollable increases	...	142	121,548
Decreases	...	...	-14,891
1988 Base	22,256	21,773	$1,408,646

Estimates by Budget Activity	1986 Actual Perm. Pos.	WY	Amount	1987 Approp. Antici. Perm. Pos.	WY	Amount	1988 Base Perm. Pos.	WY	Amount	FY 1988 Estimate Perm. Pos.	WY	Amount	Increases/Decreases Perm. Pos.	WY	Amount
1. Criminal, Security, and Other Investigations.	14,408	13,745	$768,563	15,196	14,692	$852,984	15,167	14,804	$930,499	15,796	15,245	$975,471	629	441	$44,972
2. Investigative Support..	2,816	2,783	210,817	2,799	2,718	289,160	2,740	2,660	301,399	2,790	2,675	328,052	50	15	26,653
3. State and Local Assistance.....	3,179	2,839	92,582	3,193	3,189	112,870	3,106	3,102	124,281	3,106	3,102	124,281	...	...	...
4. Program Direction.....	1,289	1,205	68,419	1,268	1,232	48,975	1,243	1,207	52,467	1,282	1,245	56,617	39	38	4,150
Total.....	21,692	20,572	$1,140,381	22,456	21,831	$1,303,989	22,256	21,773	$1,408,646	22,974	22,267	$1,484,421	718	494	75,775

FTE Employment:	Approp.	Reimb	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total
Full-Time Perm.....	20,535	621	21,156	21,800	1,389	23,189	21,742	2,129	23,871	22,236	2,227	24,463	494	98	592
Other.....	37	...	37	31	...	31	31	...	31	31	...	31	...	...	...
Total.....	20,572	621	21,193	21,831	1,389	23,220	21,773	2,129	23,902	22,267	2,227	24,494	494	98	592

Federal Bureau of Investigation

Summary of Resources by Program
(Dollars in thousands)

Estimated By Program	1986 As Enacted Perm. Pos.	WY	Amount	1986 Actual Perm. Pos.	WY	Amount	1987 Approp. Anticip. Perm. Pos.	WY	Amount	1988 Base Perm. Pos.	WY	Amount	1988 Estimate Perm. Pos.	WY	Amount	Increase/Decrease Perm. Pos.	WY	Amount
Criminal Security and Other Investigations:																		
Other Field Programs	8,465	7,857	$454,785	7,997	7,619	$436,651	8,928	8,621	$517,737	8,900	8,691	$560,364	9,192	8,917	$587,789	292	226	$27,425
Organized Crime	2,581	2,463	128,883	2,693	2,572	138,402	2,689	2,604	136,867	2,689	2,622	149,674	2,934	2,785	163,262	245	163	13,588
OCDE	446	439	33,922	814	778	46,749	534	528	39,474	534	534	44,298	546	546	46,254	12	12	1,956
White-Collar Crime	2,928	2,782	149,325	2,904	2,776	146,761	3,045	2,939	158,906	3,044	2,957	176,163	3,124	2,997	178,166	80	40	2,003
Subtotal	14,420	13,541	$766,915	14,408	13,745	$768,563	15,196	14,692	$852,984	15,167	14,804	$930,499	15,796	15,245	$975,471	629	441	$44,972
Investigative Support:																		
Training	388	368	$34,855	411	412	$37,058	388	377	$23,176	378	367	$24,369	378	367	$26,869	...	...	$2,500
Forensic Services-Federal	336	317	17,324	336	312	16,344	336	325	19,520	336	325	21,257	336	325	21,257	...	...	...
ADP & Telecommunications	557	545	105,926	557	624	60,277	579	566	131,668	569	557	135,450	569	557	135,450	...	...	...
Legal Attaches	78	74	5,431	78	76	5,696	78	76	5,625	78	76	5,977	78	76	5,977	...	...	...
Records Management	1,286	1,210	37,811	1,286	1,215	34,828	1,266	1,225	40,117	1,232	1,191	43,815	1,232	1,191	43,815	...	...	...
Technical Field Support & Equipment	148	145	36,688	148	144	56,614	152	149	69,054	147	144	70,531	197	159	94,684	50	15	24,153
Subtotal	2,793	2,659	$238,035	2,816	2,783	$210,817	2,799	2,718	$289,160	2,740	2,660	$301,399	2,790	2,675	$328,052	50	15	$26,653

Federal Bureau of Investigation

Salaries and expenses

Summary of Resources by Program (continued)
(Dollars in thousands)

Estimated By Program	1986 as Enacted Perm. Pos.	WY	Amount	1986 Actual Perm. Pos.	WY	Amount	1987 Approp. Anticip. Perm. Pos.	WY	Amount	1988 Base Perm. Pos.	WY	Amount	1988 Estimate Perm. Pos.	WY	Amount	Increase/Decrease Perm. Pos.	WY	Amount
State and Local Assistance:																		
GLET.....	283	269	$16,266	272	255	$13,665	283	275	$17,356	281	273	$19,314	281	273	$19,314	...	...	...
For. Svcs. Non-Fed'l.	122	117	8,003	122	133	6,987	122	119	8,346	122	119	9,182	122	119	9,182	...	...	...
Fingerprint Ident...	2,583	2,522	72,701	2,583	2,277	61,292	2,583	2,595	78,622	2,509	2,521	86,596	2,509	2,521	86,596	...	...	...
Crim. Just. Data & Stat. Svcs....	202	192	7,811	202	174	10,638	205	200	8,546	194	189	9,189	194	189	9,189	...	...	...
Subtotal.	3,190	3,100	$104,781	3,179	2,839	$92,582	3,193	3,189	$112,870	3,106	3,102	$124,281	3,106	3,102	$124,281	...	...	...
Program Direction: Exec. Dir. & Control...	522	491	$23,384	522	468	$28,266	519	500	$24,451	512	492	$26,473	512	492	$26,473	...	...	...
Admin. Svcs.....	767	729	22,898	767	737	40,153	749	732	24,524	731	715	25,994	770	753	30,144	39	38	$4,150
Subtotal	1,289	1,220	$47,282	1,289	1,205	$68,419	1,268	1,232	$48,975	1,243	1,207	$52,467	1,282	1,245	$56,617	39	38	$4,150
Total	21,692	20,520	$1,157,013	21,692	20,572	$1,140,381	22,456	21,831	$1,303,989	22,256	21,773	$1,408,646	22,974	22,267	$1,484,421	718	494	$75,775
Reimbursable Workyears (WY)	407			621			1,389			2,129			2,227			98		
Total WY	20,927			21,193			23,220			23,902			24,494			592		
Other Workyears: Holiday....	65			68			68			68			71			3		
Overtime AUO.....	2,182			1,984			2,221			2,229			2,263			34		
Other.....	267			185			267			267			267			...		
Total compensable workyears...	23,441			23,430			25,776			26,466			27,095			629		

Federal Bureau of Investigation

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Criminal, Security, and Other Investigations	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount
Other Field Programs	8,928	8,621	$517,737	8,900	8,691	$560,364	9,192	8,917	$587,789	292	226	$27,425
Organized Crime	2,689	2,604	136,867	2,689	2,622	149,674	2,934	2,785	163,262	245	163	13,588
Organized Crime Drug Enforcement	534	528	39,474	534	534	44,298	546	546	46,254	12	12	1,956
White-Collar Crime	3,045	2,939	158,906	3,044	2,957	176,163	3,124	2,997	178,166	80	40	2,003
Total	15,196	14,692	$852,984	15,167	14,804	$930,499	15,796	15,245	$975,471	629	441	$44,972

This budget activity includes resources for managing and coordinating field investigations for all field investigative operations for the FBI. The operations are conducted out of 59 field offices and 417 resident agencies located throughout the United States and Puerto Rico. Field offices are responsible for all investigations including the national priority law enforcement areas of organized crime, white-collar crime, foreign counterintelligence, and terrorism.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Other Field Programs	8,928	8,621	$517,737	8,900	8,691	$560,364	9,192	8,917	$587,789	292	226	$27,425

Long Range Goal: To reduce the incidence of various general criminal activities; to conduct appropriate applicant, civil rights, and fugitive investigations as directed by law and the Attorney General; and to counter within the United States the hostile activities of foreign intelligence officers, agents, and terrorists.

Major Objectives:

To conduct thorough, penetrative, and timely background investigations on candidates for appointment by and employment with the White House, the Department of Justice, including the Drug Enforcement Administration, certain Congressional committees, and other Federal agencies.

To develop, through automation, a greater capability to manage efficiently a large volume of background investigations and to identify and resolve issues that impede the timely completion of these investigations.

To investigate alleged violations of various civil rights statutes and provide the results of civil rights investigation to the Department of Justice for prosecutive action or referral to another Federal agency for appropriate action.

To develop an automated capability to analyze civil rights investigations; to identify patterns of violence involving individuals, groups, or local police agencies; and to analyze the nature of civil rights complaints to determine patterns of discrimination directed against individuals.

To effectively recruit, process, investigate, and appoint the most qualified individuals available to meet the internal staffing needs of the FBI.

To investigate threats and assaults against, kidnapings, or assassination of the President, Vice President, executive department heads, members of Congress, Justices of the Supreme Court, other designated Government officials, and Federal law enforcement officers; kidnapings; incidents involving the sexual exploitation of children; extortions; crimes aboard aircraft; tampering with consumer products; thefts of controlled substances; and other personal crimes under FBI jurisdiction.

To locate and apprehend local and state fugitives charged under the Fugitive Felon Act with unlawful flight to avoid arrest, prosecution, or confinement for violent crimes, substantial property thefts, and narcotics violations; to locate and apprehend major Federal narcotics offenders sought by the Drug Enforcement Administration; United States military personnel who desert under

rights statutes is basic to constitutional guarantees. In addition, the citizenry expects the FBI to attract and employ the most qualified applicants for its internal staffing needs. All investigative activity for this decision unit is conducted by personnel assigned to the 59 field offices geographically distributed throughout the country with direction provided by several FBI Headquarters units.

The FBI conducts background investigations for the White House, the Department of Justice, certain Congressional committees, the Administrative Office of the United States Courts, the Department of Energy, the Drug Enforcement Administration, the Nuclear Regulatory Commission, and through the Office of Personnel Management, other Federal agencies, in addition to background investigations of its own personnel. Executive Order 10450, which is the basis for most Federal personnel background investigations, provides that all employees of the Executive Branch will be afforded some level of investigation to establish reliability, trustworthiness, good conduct, and loyalty. Investigative results permit the FBI's client agencies to draw conclusions about the candidates' ability to perform the position for which the candidate is being considered and the ability to grant the prospective employee access to classified information. This Order, other Executive Orders such as the Directorate of Counterintelligence Directive 1-14, Department of Justice Orders, statutes such as the Atomic Energy Act; and agreements between the Attorney General and other entities provide the basis for FBI participation in this process. The FBI is committed to conduct these background investigations when requested to do so by other agencies, to conduct them in a thorough and penetrating manner, and to ensure the results are furnished to the requestor in a timely fashion. Overall direction and coordination is provided by FBI Headquarters.

The FBI's responsibilities and efforts in the civil rights program are directed toward the continued improvement of the atmosphere in which citizens and inhabitants can obtain and maintain their civil rights as guaranteed by the Constitution and laws of the United States. This is accomplished by thorough investigation of alleged violations of the various civil rights laws. Statutory responsibility for this program is set forth in legislation embodied in the Civil Rights Acts of 1957, 1964, and 1968, and the Equal Credit Opportunity Act as amended, March 23, 1977, the various Federal Revenue Sharing Acts, as well as other legislation in the civil rights field. Responsibility for managing investigations of possible criminal violations of the Privacy Act has been charged to the FBI by the Department of Justice. FBI Headquarters provides direction and coordination for these investigations.

This decision unit serves to perform all phases of the FBI's employment activities, including background investigations of FBI employment candidates. FBI Headquarters controls and directs all aspects of the applicant program throughout the FBI and ultimately makes all hiring decisions. Additionally, each of the 59 field offices handles all initial processing for positions in the FBI and conducts the necessary background investigations. This decision unit has the responsibility of hiring the most qualified applicants available and encompasses concerns both as to an applicant's suitability and security issues.

A significant portion of the FBI's Special Agent population will become eligible to retire throughout the remaining 1980s and early 1990s. These retirees will have to be replaced with individuals having expertise in a multitude of different areas. The current responsibilities of the special agent position call for the hiring of engineers, linguists, attorneys, accountants, scientists, pilots, and many other individuals with particular expertise and skills. The FBI receives over 1,000 applications per month from individuals who meet the threshold requirements; an effective Special Agent Selection System (SASS) must be maintained if the FBI is to attract and select the most qualified applicants available consistent with the FBI's needs.

1746

Crime is a pervasive problem in American society, one that affects millions of citizens and communities across the Nation. National Crime Survey data released by the Bureau of Justice Statistics showed that 25 percent of American households -- more than 22 million -- were touched by a crime of violence or theft in calendar year 1985. According to Uniform Crime Report data, 12.4 million index offenses occurred in 1985 with nearly $10.5 billion in money and property taken. Preliminary Uniform Crime Report data, for the first half of 1986, shows an eight percent increase in reported index offenses over the same period in 1985. Citizens and communities are acutely aware of the direct and indirect effects crime has on the quality of life in their neighborhoods, the operation of their businesses, and their personal lifestyles. It is because of the significant impact crime has on American citizens and the visibility of these acts in the communities where they occur, that the public maintains high expectations for law enforcement in the investigation of street crimes.

The FBI is directly involved at the streetlevel in attacking the incidence of violent personal and property crime through its four General Crimes investigative programs. This involvement includes both the investigation of crimes that fall under Federal jurisdiction and assistance to state and local law enforcement agencies in locating and apprehending dangerous criminals sought for serious crimes. These four programs -- Fugitive, General Government Crimes, General Property Crimes, and Personal Crimes -- provide the primary Federal law enforcement response to crimes directed against designated Federal officials, committed on or against United States property, or where a Federal interest has been recognized by enactment of Federal statutes.

Through the Fugitive Program the FBI assists state and local law enforcement agencies seeking felons who cross state boundaries to avoid prosecution or confinement. Typically, these fugitives are wanted for such crimes as murder, armed robbery, aggravated assault, rape, and narcotics offenses. Additionally, abductions of children by natural parents in defiance of custody decrees are investigated. Efforts are made to locate and apprehend Class I and II narcotics law violators sought by the Drug Enforcement Administration and other fugitives in cooperation with other Federal agencies, at their request. Assistance is also provided to the United States armed forces in locating military personnel deserting under aggravated circumstances, and local and foreign police agencies conducting criminal investigations. Through FBI/Interpol assistance, all available identifying data on organizations or individuals is obtained, along with other types of criminal activity under investigation.

General Government Crimes Program investigations are directed toward serious personal and major property crimes committed on Indian reservations and United States property, which includes approximately 430 major Department of Defense installations, numerous civilian agency buildings and sites, national parks and recreational areas, approximately 166 Indian reservations, and 45 Federal penitentiaries and correctional facilities. Also investigated under this program are matters referred to the Department of Justice by the Selective Service System (SSS) (when an individual is suspected of failing to register with SSS as required by law), cases where individuals impersonate Federal officials, and other crimes affecting the Federal Government.

General Property Crimes Program investigations focus on thefts from interstate shipment, the interstate transportation of stolen property and/or motor vehicles, individuals and groups engaged in such activities, and fences dealing in stolen property. Investigations of such individuals and groups often uncover links between property crimes, fences, organized crime, and narcotics trafficking. In addition to investigating reported incidents of property crimes, the FBI also employs the use of undercover operations to identify and penetrate theft rings and fencing activities and obtain intelligence information and evidence against

1747

criminals who have attempted to insulate themselves against direct lines of complicity in illegal activities. Other program investigations include Crime on the High Seas, Destruction of Aircraft and Motor Vehicles, and Interstate Transportation in Aid of Racketeering - Arson (non-LCN) matters.

The Personal Crimes Program addresses a group of offenses involving the common characteristics of threatened or actual injury or loss of life. These offenses include threats, assaults, kidnapings, and assassinations of the President, Vice President, executive department heads, Supreme Court Justices, members of Congress, other designated Federal officials, Federal law enforcement officers; bank robberies; kidnapings; extortions; tampering with consumer products; theft of controlled substances; and aircraft hijackings and other crimes aboard an aircraft. Beginning in 1986, the Personal Crimes Program became responsible for the investigation of matters involving the sexual exploitation of children through violations of the White Slave Traffic Act and the Interstate Transportation of Obscene Matter statutes. The Child Protection Act of 1984 increased the criminal penalties and authorized criminal or civil forfeiture of material made or distributed, as well as any profits derived from these violations. This act also eliminated the requirement that the Government show that a defendant acted for monetary gain and increased the age of protected children from 16 to 18 years of age.

The FBI is the lead Federal law enforcement agency in the United States Government's fight against terrorism. The FBI defines terrorism as the unlawful use of force or violence against persons or property to intimidate or coerce a government, the civilian population, or any segment thereof in furtherance of political or social objectives. The FBI categorizes terrorism as either domestic or international depending on origin, base, and objectives of the terrorist organization. The Terrorism Program is responsible for preventing, interdicting, and investigating the violent acts and criminal manifestations of terrorist groups and individuals.

Terrorist groups originating in the United States are investigated pursuant to the Attorney General's Guidelines for Domestic Security/ Terrorism (DS/T) Investigations. DS/T investigations are used to assemble intelligence information on terrorist groups, but provide the safeguards designed specifically to protect the rights of United States citizens and other persons protected by the Constitution of the United States. FBI Headquarters personnel examine these cases to insure that the investigative procedures being utilized are in compliance with the DS/T Investigative Guidelines.

The reactive portion of the program utilizes all the resources and techniques of the FBI to aggressively investigate and prosecute terrorists who commit violent and/or illegal acts in the United States. These criminal acts include violations of the Protection of Foreign Officials, Neutrality, Extortion statutes, as well as Firearms and Explosives laws. Additionally, as a result of the passage of the 1984 Comprehensive Crime Control Act, specifically, Title 18, United States Code (USC), Section 1203, entitled, "Hostage Taking," the FBI acquired jurisdiction and authority to act, where appropriate, in certain terrorist related hostage situations both with the United States and internationally. Further, as a result of the passage of the "Omnibus Diplomatic Security and Anti-Terrorism Act of 1986," specifically, Title 18, USC, Section 2331, entitled, "Terrorist Acts Abroad Against United States Nationals," the FBI has acquired jurisdiction and authority to act, where appropriate, in any acts of terrorist violence inflicted upon a national of the United States while outside the United States.

All aspects of terrorist groups are the constant focus of intensive research which feeds analytical assessments regarding potential danger to United States' interests. These analyses are used as investigative aids by FBI field agents and FBI Headquarters management personnel.

Additionally, the reactive portion of the program includes the FBI response to high risk terrorist takeovers and hostage barricade situations. Terrorist groups usually employ teams made up of sophisticated, well-trained, and heavily armed individuals. To successfully resolve these situations, special abilities, equipment, and techniques beyond those of local authorities or FBI Special Weapons and Tactics (SWAT) teams are often required. To provide the President and the Attorney General with a civilian law enforcement alternative to those of military force, the FBI has instituted and is continuing to develop and train a Hostage Rescue Team (HRT). The HRT has capabilities which exceed those of a normal SWAT team in the areas of communications, command control, and the use of sophisticated electronics equipment. It also has a high degree of expertise in the handling of several types of weapons and explosive devices for breaching and diversionary tactics.

Civil Rights, Applicant and Other Investigations

Accomplishments and Workload:	1985	1986	Estimate 1987	Estimate 1988
Investigative Matters Received				
Reimbursable Applicant (except DEA)	13,324	10,573	27,780	31,767
Nonreimbursable Applicant (except FBI Applicant)	30,571	26,805	29,725	31,350
Other Investigations	9,334	10,655	5,100	5,100
Civil Rights	7,630	6,272	6,500	6,500
Total Investigative Matters Received	60,859	54,305	69,105	74,717
FBI Applicant Matters Received				
Support Applicants Tested	7,484	4,323	5,230	6,850
Special Agent Entrance Tests Received	10,569	8,301	14,650	18,500
Special Agent Language Tests Received	981	992	1,750	2,200
Special Agent Interviews Received	2,824	2,195	3,900	4,900
DEA Applications Received (Reimbursable)	474	986	500	650
Specialty Support Applicants Processed	434	385	470	620
Specialty Applicants Referrals Processed	288	343	415	550
Investigative Matters Completed				
Reimbursable Applicant (except DEA)	13,155	10,816	19,918	32,500
Nonreimbursable Applicant (except FBI Applicant)	30,459	27,267	30,000	30,000
Other Investigations	9,176	10,572	5,100	5,100
Civil Rights	7,597	6,287	6,500	6,500
Total Investigative Matters Completed	60,387	54,942	61,518	74,100

1749

	1985	1986	Estimate 1987	Estimate 1988
FBI Applicant Matters Handled				
Support Applicant Tests	7,484	4,323	5,250	6,900
Specialty Applicant Cases Processed	434	385	470	620
Special Agent Entrance Tests Processed	10,569	8,301	14,650	18,500
Special Agent Language Tests Processed	981	992	1,750	2,200
Special Agent Accounting Tests Processed	986	810	1,430	1,800
Special Agent Interviews Processed	2,284	2,195	3,900	4,900
DEA Applicant Cases Processed (Reimbursable)	474	986	500	650
Special Agents Hired	467	431	880	1,000
Support Employees Hired	1,305	2,000	2,425	3,175
	General Crimes			
Item				
Total Investigative Matters Pending From Previous Year	27,695	28,896	28,023	29,011
Origin Investigative Matters Received	32,821	31,892	33,806	34,443
Auxiliary Office Investigative Matters Received	41,237	41,952	42,811	44,069
Total Investigative Matters Received	74,058	73,844	76,617	78,512
Total Investigative Matters	101,753	102,740	104,640	107,523
Origin Investigative Matters Completed	32,702	32,29[illegible]	32,562	34,535
Auxiliary Office Matters Completed	40,681	42,4[illegible]	43,067	43,169
Total Investigative Matters Completed	73,383	74,717	75,629	77,704
Complaints Filed	3,669	3,647	3,698	3,784
Informations Filed	578	568	582	595
Indictments Returned	4,248	3,863	3,927	4,017
Subjects Arrested	3,887	3,540	3,595	3,677
Subjects Located	984	837	852	872
Recoveries ($000)	$167,402	$137,779	...	...
Potential Economic Losses Prevented ($000)	$205,544	$59,619	...	...
Undercover Operations -				
Group I	28	23	25	25
Group II	65	51	55	55
Informant Matters Pending	2,189	2,326	2,330	2,330
Federal Convictions and Pretrial Diversions	4,544	4,208	4,363	4,481
Fines Levied in Federal Courts ($000)	$5,871	$6,622	...	...
Local Convictions and Pretrial Diversions	1,019	1,015	1,020	1,025
Fines Levied in Local Courts ($000)	$575	$556	...	...

1750

Terrorism			Estimate	
	1985	1986	1987	1988
Workload Inputs				
Terrorist Incidents	7	16*	16	16
Persons Killed	2	1*	1	1
Persons Injured	10	18*	18	18
Investigative Matters Opened				
Domestic Terrorism	6,616	8,450	8,450	8,450
Title III Requests	47	20	20	20
Initial	22	7	7	7
Renewal	25	13	13	13
Workload Outputs				
Investigative Matters Closed				
Domestic Terrorism	5,022	6,505	6,505	6,505
Arrests & Locates - Domestic Terrorism	143	71	71	71
Convictions - Domestic Terrorism	103	68	68	68
Terrorist Incidents Prevented	23	7*	7	7
Potential Economic Loss Prevented ($000)	$13,250	$1.003,259	$4,000	$4,000

*Calendar year figures are actuals as of December 31, 1986.

During 1986, 2,742 individuals were investigated under the nonreimbursable applicant program. Among these were 803 requests from the White House (304 Presidential appointments and 499 staff). Many of these requests were of an expedite nature and short deadlines were required to complete the investigations. In addition, 1,324 individuals were investigated for the Department of Energy and 279 for the Administrative Office of the United States Courts on a reimbursable basis.

During 1986, the regional recruiting concept was expanded to 11 additional offices to meet the heavier hiring demands. This concept has proven to be effective in minimizing expenditures for initial reimbursable transportation costs.

New interview dimensions for the SASS, designed to provide better predictors of job performance, were validated.

There were 986 DEA background investigations conducted in 1986, and DEA has requested that the FBI conduct investigations on analysts and chemists along with agents and diversion control investigators.

In 1986, 2,000 specialty and general support applicants were hired, which required in excess of 4,000 applicants being tested. In addition, 431 special agents were hired which necessitated 1,050 background investigations.

On May 23, 1986, the Dallas Field Office initiated an investigation into the allegation that State of Texas Judge Thomas Cave, with the assistance of attorney Ronald Aultman and bondsman Joe Adams, engaged in sex with women who had pending criminal matters

1751

in the District Courts of Tarrant County in order for these women to receive consideration for probation, leniency, etc., from Judge Cave in their criminal proceedings. All three subjects were indicted by a Federal grand jury in Ft. Worth, Texas, on November 14, 1986, for Civil Rights and related violations. Investigation is continuing as subjects await trial proceedings.

In July 1983, the Detroit Field Office began an investigation concerning a religious cult organization known as the "Black Hebrew Israelite Jews" regarding violations of the Involuntary Servitude and Slavery statute. The allegation related to approximately 66 minor children having been enslaved by their camp leader and forced to work. One minor child was beaten to death. The investigation culminated in the conviction of seven members of the organization on September 12, 1986, of Involuntary Servitude and Slavery and related civil rights violations.

On April 25, 1986, 16 subjects were convicted and sentenced in Federal court in Ashville, North Carolina, for violations of Title 18, U.S.C., 241, Conspiracy Against Rights Of Citizens, Title 42, U.S.C., 3631, Criminal Interference, and related charges. Three other subjects had earlier been convicted and sentenced on similar charges. The sentences culminated a three year investigation into numerous acts of cross burnings, shootings at unoccupied residences, and harassment of blacks and interracial couples by the Ku Klux Klan in North Carolina.

In November 1985, investigation was initiated concerning several incidents of harassment and violence directed against a black couple and an interracial couple who had moved into an all-white neighborhood in Philadelphia. As a result, four individuals were arrested on January 7, 1986, for violating Title 18, Section 241, U.S.C., (conspiracy to violate the constitutional rights guaranteed by Title 42, Section 1982, U.S.C.) and Title 18, Section 844(f) U.S.Cs. (destruction of Federal property). The arrests stem from an incident where the subjects had set fire to one couples residence which had been returned to control of the Veterans Administration. These subjects were tried in Federal court in March 1986 and found guilty.

A major product tampering case was resolved in May 1986, when stockbroker trainee Edward Arlen Marks was arrested for contaminating cold, allergy, and diet capsules with rat poison in an attempt to manipulate the stock price of the manufacturer. Marks was linked to the tampering by a fingerprint found on one of the packages containing poisoned capsules. Marks pled guilty to nine counts of Tampering with Consumer Products and was sentenced to 27 years in prison.

Intensive investigative effort by numerous FBI field offices over an eleven day period, was employed in an attempt to locate and apprehend Mike Wayne Jackson, a "Ten Most Wanted Fugitive," who began a crime spree in Indianapolis, Indiana, by brutally murdering his Federal probation and parole officer on September 22, 1986. Jackson commited suicide to prevent his arrest by FBI agents.

An undercover operation, code named FINAL PUNCH, centering around the smuggling of drugs into Utah State Prison by employees and guards, has resulted in the indictment of eight suspects, including two inmates, two guards, and one other prison employee. The narcotics trafficking in this investigation was financed by the sale of stolen property. This case clearly reflects the growing trend of property crimes being related to narcotics trafficking.

The FBI assisted the Canadian Government by locating and arresting Yvon Savard, one of Canada's top most wanted fugitives. Savard has been sought since 1973, when he escaped from custody while serving two life sentences as a result of his conviction in 1967 of the death of a bank manager during a bank robbery in Quebec, Canada.

On June 18, 1986, Charles Lee Herron, listed as an "Ten Most Wanted Fugitive" since 1968, was arrested without incident by the FBI and the Florida Highway Patrol in Jacksonville, Florida. Herron and three other individuals, William Garrin Allen, II, Stephen Correlus Parker, and Ralph Canady, were wanted in connection with the brutal slaying of one police officer and the fatal wounding of another on January 16, 1968, in Nashville, Tennessee. Allen was taken into custody the previous day as he was attempting to renew a falsified driver's license. The Baltimore Division located and arrested Canady on April 1, 1986. The following morning, he was found hanging in his cell after an apparent suicide. The only remaining fugitive is Parker and a vigorous investigation is continuing to locate this subject.

An infant snatched from his mother's arms in Pennsylvania was recovered by the Baltimore field office of the FBI after a coast to coast search for the infant. Informant information led to the location and apprehension of an infertile woman who claimed to be the infant's mother. Ramona Joan Thompson has been charged with kidnaping and is scheduled for trial in early 1987.

On February 13, 1986, Dikran Sarkis Berberian, a member of the Armenian Revolutionary Army (ARA), a Socialist Armenian terrorist group, was convicted and sentenced to 15 years in prison on charges relating to his involvement in the 1982 attempted bombing of the Turkish Honorary Consulate in Philadelphia, Pennsylvania.

On March 12, 1984, police in Ottawa, Canada, acting on FBI information, arrested four members of a Marxist Armenian terrorist group, the Armenian Secret Army for the Liberation of Armenia, in connection with the attempted murder of Turkish Commercial Attache Kani Gungor at Ottawa in April 1982.

On February 6, 1986, three members and/or associates of Omega 7, a fanatical anti-Castro Cuban exile terrorist group, pleaded guilty to conspiracy to murder a foreign official and conspiracy to bomb and destroy property of a foreign government. They were each subsequently sentenced to ten years in prison.

On June 11, 1986, at Le Havre, France, the Police Judiciare National arrested five members of the Irish National Liberation Army (INLA), a left-wing Irish terrorist group, two of whom were United States citizens. These individuals were procuring weapons at the direction of INLA for shipment to Ireland.

On May 20, 1986, eight members and/or associates of the Provisional Irish Republican Army (PIRA), a violent Irish militant Marxist terrorist group, were arrested without incident in and around Boston, Massachusetts, while attempting to procure automatic weapons for shipment to PIRA in Belfast, Northern Ireland. Six of these individuals pleaded guilty and two were convicted in connection with this matter. All have been sentenced.

On May 30, 1986, Canadian authorities arrested five persons believed to be Sikh terrorists and charged them with conspiracy to manufacture and utilize an explosive device with intent to cause injury. These arrests in all probability prevented the bombing of an Air India facility and/or aircraft. The FBI contributed substantially to this investigation.

Six individuals were convicted on charges relating to their involvement in a 1984 plan to stage a coup against the Government of Honduras to include the assassination of the incumbent President of Honduras, Roberto Suazo.

On July 28, 1986, 14 individuals were arrested on charges relating to their involvement in a plan to invade the country of Surinam. On September 11, 1986, nine of the 14 individuals pleaded guilty to a misdemeanor charge.

On March 19, 1986, Richard Joseph Scutari, "Order" member, a right-wing terrorist organization, was arrested in connection with the armed robbery of an armored truck on July 19, 1984, at Ukiah, California. On April 30, 1986, Scutari pleaded guilty and was sentenced to a total of 60 years in prison.

Intensive intensive investigation resulted in the indictment of 19 members and/or associates of the Puerto Rican terrorist group, the EPB-Machateros on charges relating to the September 12, 1983, armed robbery of $7.2 million from the Wells Fargo Terminal in West Hartford, Connecticut.

Six individuals have been indicted in connection with a plot to break an incarcerated FALN leader out of Leavenworth Penitentiary. Investigation in this matter identified members of a non-Puerto Rican domestic terrorist group, the Prairie Fire Organization Committee, and an individual formerly incarcerated with the FALN leader in Leavenworth as being actively involved in the escape plan.

On January 17, 1986, May 19th Communist Organization member Marilyn Jean Buck was convicted on weapons violations and subsequently sentenced to a five year consecutive prison term. Buck, who had been wanted since 1977 since her escape from a Federal prison in West Virginia, was arrested by the FBI on May 11, 1985.

On March 4, 1986, seven individuals were convicted for the 11 bombing-related incidents attributed to the United Freedom Front, a left-wing terrorist group. Among those convicted were former Top Ten Fugitives Raymond Luc Levasseur and Thomas William Manning.

Five members of the El Rukn Street Gang (ERSG), a violence-prone domestic organization with links to the Libyan Government, were arrested on firearms and related conspiracy charges.

Program Changes: Increases of 292 positions and $27,425,000 are requested for 1988 for Other Field Programs. The requested increases will enable the FBI to meet its mandated responsibilities and objectives in all critical areas. Detailed information regarding this program can be obtained from the "Special Analysis of Field Programs Exhibit."

Informants often have access to information of evidential value that is not accessible through ordinary investigative methods. This information may result in opening a new case or directing the focus of an investigation in an ongoing matter. Informant information often saves the investigators time and is considered to be an extremely cost-effective investigative technique. The development and maintenance of a reliable and effective informant base is considered a key element to the enjoyed within the program for both individual cases and program levels. Payments are made to informants for services rendered/information provided

1754

on a cash-on-delivery basis with payment amounts closely monitored by supervisory and managerial personnel, both in the field and at FBIHQ, to insure funds expended are commensurate with the value of the information provided or the value of the service rendered. Although payments have exceeded funded levels in the General Crimes program, no enhancements have been received since 1984. As payments have increased each year, a concomitant increase has occurred in the achievement of statistical accomplishments attributable to informants. During 1985, accomplishments attributable to informants in FBI investigations were: 1,778 subjects arrested; 10,747 subjects identified; 2,518 investigations initiated; $171,848,000 in value of merchandise recovered; and 1,166 convictions achieved. Final 1986 statistical accomplishments attributable to informants have not yet been compiled, however, preliminary figures show a continued increase.

It can readily be projected that the expenditure of additional funds for payments to informants in the General Crimes programs will result in an increase in statistical accomplishments attributable to informants in that program. In order for this investigative technique to be effectively employed in major General Crimes investigations, an additional $369,000 is required for 1988.

Terrorism is an extremely fluid field of investigation for the FBI. For a variety of reasons a distinction has been drawn between "domestic" and "international" terrorism in the United States. Succinctly, international terrorism is that which has some degree of foreign or transnational character, while domestic terrorism does not. Because of this distinction, the domestic and international elements of the FBI's Terrorism Program operate under different funding and guideline provisions. In reality, however, the FBI has one Terrorism Program and views this overall program as a national priority. Typically, in a field office organization, a squad of agents will work both international and domestic terrorism, concentrating on those cases which are judged to pose the greatest threat in that particular office.

At the present time, within the borders of the United States, the domestic threat appears to be more imminent; therefore, the field offices have had to respond accordingly. As of December 30, 1986, the FBI has recorded 16 terrorist incidents which have resulted in one death and eighteen injuries. All of these incidents are attributable to domestic terrorist groups. In order to counter the activities of active domestic terrorist groups, resources above the level funded for domestic terrorism have been used. Unfortunately, these resources have generally been drawn from the International Terrorism subprogram. Yet, significant successes have been realized. Apprehensions and prosecutions in the domestic area have seriously weakened the capability and resolve of several violence prone groups; however, this is not to say that the terrorist threat has diminished. This fact is best illustrated by the most recent series of bombings and attempted bombings directed against Department of Defense facilities throughout Puerto Rico on October 28, 1986, causing minor property damage and critically wounding one individual. Additionally, in September 1986, right-wing domestic terrorists carried out a bombing campaign in Coeur D'Alene, Idaho, in which four bombs exploded and a fifth malfunctioned. There were no injuries reported, although there was extensive property damage.

Within the past year, the Terrorism Program has been involved in a substantial number of significant investigations with not only national but international ramifications. Effective management of available resources has been of critical importance to the success which has been achieved by our collective investigative efforts. In that regard, agent resources at the headquarters level were taxed to their fullest in order to achieve the successes which were obtained in the Terrorism Program during the past year. If current efforts in the Terrorism Program are not sustained, program momentum will certainly be diminished and it will

1755

become increasingly necessary for the FBI to assume a reactive rather than proactive posture in dealing with future terrorist attacks. Such an approach will almost certainly impair the ability of the FBI to deal with the current threat of terrorism in an effective and timely manner.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Organized Crime	2,689	2,604	$136,867	2,689	2,622	$149,674	2,934	2,785	$163,262	245	163	$13,588

Long-Range Goal: To reduce the sphere of influence and neutralize the adverse effect that organized criminal groups exert over the citizens of the United States by developing investigative programs that will approach this problem in a systematic, coordinated, and sustained manner.

Major Objectives:

To penetrate the hierarchy of the La Cosa Nostra (LCN) by identifying the leadership and membership of these groups in an effort to determine their complicity in criminal activity as well as determine the extent of interrelationships among the LCN families and thereby develop successful prosecutions for specific violations of Federal Statutes, including the Racketeer Influence and Corrupt Organizations (RICO) and the Continuing Criminal Enterprise (CCE) statutes.

To further determine the extent of influence and control the LCN has established within the legitimate labor union community in the United States; continue to pursue investigations against the LCN through an aggressive and successful Labor Racketeering Program within the FBI that will neutralize this control and have a lasting and positive impact upon the nation's economy.

To pursue the goals of the FBI's National Drug Strategy which will endeavor to identify, investigate, arrest, and prosecute individuals who organize, direct, and/or finance high-level domestic or international drug trafficking enterprises and seize their assets for forfeiture. These groups would include the Colombian cartels, Mexican networks, and the Sicilian Mafia.

To identify the hierarchy and membership of nontraditional organized crime groups such as outlaw motorcycle gangs (OMGs), Oriental groups and other significant drug trafficking groups and determine their involvement in criminal activities in order to develop significant prosecutions to neutralize their effect on American society.

To continue the enhancement and installation of the Organized Crime Information System (OCIS) in field locations which will enable the FBI to collate the vast quantity of information concerning organized criminal activity so that complex associations between members of organized criminal groups might be identified.

1756

To develop and maintain a national intelligence base which will consist of: quality, high level informants to penetrate the organizational structure and operations of organized crime groups; cooperating witnesses to provide first hand testimony as to the day-to-day operations of these illegal organizations and sponsor their subsequent entry into the Witness Security Program, if necessary; and liaison efforts with other Federal, state, local, and foreign law enforcement agencies.

To provide resources necessary for the FBI to utilize the forfeiture provisions of the Controlled Substances Act, (Title 21 United States Code (U.S.C.)) as well as the provisions of the Comprehensive Crime Control Act (CCCA) which permit sharing of asset forfeiture proceeds with state and local authorities.

To provide overall coordination and management oversight of efforts relating to the use of sophisticated and sensitive investigative techniques including court approved Title-III intercepts, consensual monitorings, undercover operations, and aircraft surveillances, and to perform a wide variety of administrative and investigative support functions including the funding of Special Operations Groups and Off Premises Sites which are related to the operation of the Organized Crime Program at FBIHQ.

Base Program Description: This Decision Unit addresses the problem of organized crime in the United States. Organized crime is defined as a criminal act or series of acts committed by a group of individuals having a formalized structure whose primary objective is to obtain money through the use of violence or threats of violence, corruption of public officials, graft, extortion, or drug trafficking, and which has a significant adverse effect on people in its locale, region, or the entire United States. Organized Crime groups affect the social, financial, and political framework of American society by directing and/or becoming involved in labor racketeering, corruption of public officials, illegal infiltration of legitimate business, loansharking, illegal gambling, narcotics trafficking, and gangland slayings. There are few businesses or industrial sectors in American society that are not affected by organized criminal exploitation or penetration.

Recent investigations focusing on the criminal activities of members of LCN families have developed intelligence which reinforces previous information indicating that many of the unions within the United States are being influenced or directed in an illegal manner by the LCN. Because these unions affect the very fabric of the American economy, investigations have been initiated and efforts have been directed toward this problem to lessen the control and/or influence of the LCN over these unions.

In spite of the recent investigative successes the FBI has had against the hierarchy of the LCN, it would be naive to think that the LCN has been eliminated. Experience has shown that the criminal activities of an LCN family do not stop simply by convicting and incarcerating the upper echelon. Their positions are merely filled by subordinates, often acting as figureheads who maintain constant contact with his jailed superiors. Upon release from jail the convicted member resumes hands-on control, never having actually relinquished control of the operation. The recent indictments and convictions of the LCN hierarchy have left these LCN families in a state of disarray. The federal government must pursue the opportunities that are now available to level a devastating blow to these weakened criminal enterprises; delay would give the LCN the much needed time they required to reorganize and re-establish their grip on certain sectors of the American society.

Although the level of criminal activity and illegal influence of traditional organized crime groups such as the LCN and Sicilian Mafia have not lessened, the FBI has, by necessity, redirected some of its organized crime resources to the investigation of major

1757

drug trafficking groups including the Colombian and Mexican networks as well as OMGs, Oriental groups, and other significant crime groups. These groups are extremely violence prone and are involved in extensive criminal activity which includes extortion, loansharking, murder, corruption, and numerous other criminal acts.

Beginning in 1982, when the FBI received concurrent jurisdiction with the Drug Enforcement Administration (DEA) in the investigation of illicit narcotics trafficking, the FBI dramatically increased its involvement in the investigation of organized criminal groups trafficking in narcotics. The FBI's commitment to the President's Narcotics Initiative is reflected in the reallocation of resources from investigations of traditional organized criminal activities, such as gambling and prostitution, to these narcotics matters. Through 1986, the FBI's Organized Crime Program was funded for 43 agents to investigate narcotics matters. During 1984, 489 agent workyears were expended on narcotics investigations; in 1985, 523 workyears were used; and in 1986, 515 workyears were used. The problem of illicit narcotics trafficking continues to be the number one crime problem in the United States today. In order to maximize the efforts of its resources, the FBI redefined its National Drug Strategy in 1986 and set as one of its major objectives, neutralizing the three most significant entities involved in narcotics trafficking: the Colombian cartels, Mexican groups, and Sicilian Mafia's networks.

Title V of Public Law 91-452 (The Organized Crime Control Act of 1970) authorizes the Attorney General to provide for the security of a Government witness or potential witness, whose life and person is placed in jeopardy by virtue of being a witness or intended witness in legal proceedings against any person alleged to have participated in organized criminal activity. Under this law, the Department of Justice designated the United States Marshals Service as the sole authority to arrange for the maintenance of persons designated as protected witnesses. Since the creation of the Office of Enforcement Operations to administer the Witness Security Program, new policies/procedures have expanded the responsibility of investigative agencies sponsoring individuals for inclusion in the Witness Security Program. This change, in effect, requires the sponsoring agency to expend resources relative to the protection of the witness, and/or the witness' immediate family, prior to the assumption of responsibility for the protection by the United States Marshals Service.

In addition, this Decision Unit provides funding for the performance of certain critical support functions which are necessary for the investigation of criminal violations within the purview of the FBI's responsibility.

The Organized Crime Information System (OCIS) complements investigative efforts and maximizes the limited investigative resources within the Organized Crime Program by providing FBIHQ, selected field offices, resident agencies, and Legal Attache Offices with computer based capabilities which assist in the collection, collation, analysis, and dissemination of investigative information relative to organized crime matters. Within OCIS, particular emphasis is placed upon link analysis of relationships which might exist between or among organized crime groups and narcotics cartels, and/or between corrupt organizations and union officials or business leaders or public officials. In view of its capabilities, OCIS plays an integral role in the FBI's efforts to determine the interrelationships among narcotics cartels and organized crime groups. When first brought on-line in 1980, OCIS was scheduled to be implemented in the 23 field offices with significant LCN activity. As a result of the FBI receiving concurrent jurisdiction in narcotics investigations in 1982, the demands on OCIS have expanded. To further enhance the Organized Crime Program, the OCIS schedule now calls for virtually all field locations (field offices, resident agencies, and some Legats) to have at least a retrieval capability system by the end of 1988. The OCIS Program presently has 117 positions allocated in 40 field offices, 10 resident agencies, and two Legal Attache posts.

The FBI provides a sophisticated surveillance capability to the field in the form of aircraft support. Extensive investigations in the areas of organized crime, white-collar crime, counterterrorism, and other investigations have demonstrated an expanding need for a sophisticated mode of conducting physical surveillance in numerous environments. An aircraft is capable of discreetly maintaining contact with a moving target even though the target is using evasive maneuvers to elude surveillance. The aircraft is in a position to recognize evasive maneuvers and can direct accompanying ground units clear of the target, where ground units might be unable to get close enough to observe the target without detection. By utilizing an aircraft, a successful moving surveillance can generally be conducted using one-half the number of special agents and automobiles that would normally be required.

Aircraft can be equipped with vehicle tracking devices and photography equipment. The capabilities of such equipment can be greatly enhanced by the use of an airborne platform. Aircraft are equipped with FBI radios, thus allowing them to function as airborne repeaters and Command and Control vehicles when the need arises. The aircraft perform one or more of the following missions during each flight:

- Surveillance
- Ferry
- Communications Relay
- Undercover Flight Operations
- Title III Support
- Aerial Photography
- Training
- Protection of Law Enforcement Personnel
- Expedite Transportation
- Maintenance/Test
- Command and Control
- Assist Other Agency
- Ground Search

The undercover technique has opened avenues of investigative pursuit not available in the context of traditional investigative processes. The presence of an undercover special agent provides firsthand special agent testimony relating to the [illegible] and the scope of the criminal activities, the extent of involvement of the various offenders, and the location of items of evidence. Undercover agents are often able to obtain evidence relating to the knowledge, intent, and predisposition of individuals involved in criminal activity which, combined with the use of audio and/or video tapes, produces the strongest and most convincing evidence in a court of law. Undercover agents have the ability, in certain situations, to penetrate the highest levels of criminal activity; heretofore unreachable.

The undercover technique also allows for more effective and safer use of sources and informants, in that the information obtained from the undercover operative may preclude the necessity for sources/informants to testify in court. In addition, undercover operatives often obtain evidence of past and planned crimes. In the instance of a planned crime, the undercover technique affords the FBI the opportunity to take a proactive approach, rather than investigating solely after the fact. With the increasing complexity of FBI cases, it has become evident that the previous methods of information gathering are not always entirely adequate to meet revised priorities. Quality cases frequently involve a greater number and more sophisticated type of subject. These cases are often protracted and generally involve difficult to detect conspiratorial activity.

To address this need, Special Operations Groups (SOGs) were formed. Operating out of covert premises situated apart from overt FBI facilities, these groups are used to support the integrated functions of surveillance, tactical mobility, undercover

operations, sensitive and complex Title III electronic surveillance installations, and the tracking of extremely sensitive and surveillance-conscious subjects. Other off-premise sites were created to provide covert storage facilities for surveillance vehicles and to support undercover and other sensitive operations.

SOGs are merely the continuation of investigations by other means, and their methods are not secondary to case squad methods, but are an adjunct to them. They provide a dimension to investigative operations which is unique and cannot be duplicated by other means. In many instances, the SOG develops information so significant, it completely changes the direction of the existing investigation. It has been demonstrated that the SOG agent, when properly trained, experienced, equipped, and supported, can be an extremely efficient, cost-effective, and rapid way of shaping the investigator's suspicion into the prosecutor's fact. SOGs can provide a rapid FBI presence in situations where individuals, locations, or circumstances must be secured or controlled.

Accomplishments and Workload: The statistical accomplishments and estimates for the Organized Crime Program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Investigative Matters Handled	25,040	21,637	22,320	23,445
Title IIIs Initiated	90	71	75	75
Organized Crime Informants Matters	2,879	2,697	2,700	2,940
Informations and Indictments	2,092	2,256	2,260	2,425
Convictions/Pre-trial Diversions	1,714	1,797	1,815	1,940
Offices Requiring OCIS Personnel	35	41	52	56
Court Ordered Forfeitures (in thousands)	*	$25,250	$26,750	$26,750

* Court Ordered Forfeitures were not tracked as a separate item prior to 1986.

Organized Crime Investigations:

During 1986, organized crime investigations resulted in over 2,000 indictments and over 1,700 convictions. Included in the convictions are a number of traditional organized crime members and their associates; non-traditional organized crime members and their associates, and union members and public officials. The convictions included 1,294 for narcotics violations, 98 for corruption violations, 118 for illegal gambling violations, 41 for loansharking violations, 72 for labor racketeering violations, 2 for involvement in gangland slaying matters, 33 which are related to the area of infiltration of legitimate business by organized crime elements, and 130 for other violations. In addition, $8,975,000 in fines, $19,883,000 in recoveries, and $2,389,000 in restitutions, and $120,693,000 in Potential Economic Loss Prevented were obtained as a result of investigative efforts expended in the Organized Crime Program during 1986.

During 1986, the FBI targeted the illegal activities of several of the La Cosa Nostra families for investigation. As a result of these investigations, 3 "bosses", 2 "underboss", 9 "capodecinas", 22 "soldiers" and 109 associates of organized crime family members were convicted in 1986 for various Federal violations. In addition, 8 Sicilian Mafia associates were also convicted.

72-105 O—87——98

Although the FBI has been successful in several of its investigations of La Cosa Nostra families, their influence on everyday American life continues.

Investigations involving public corruption have resulted in the convictions of 23 local law enforcement officers, 1 state judge, 2 state public officials, 1 state officer, 15 local public officials, 2 local judges and 1 federal prosecutor.

Investigations of non-traditional organized crime groups brought convictions against 225 members of these groups and their associates for narcotics, corruption, loansharking, and arson violations as well as for their involvement in gangland slayings. These groups included the OMGs (159), Colombians (44), Cubans (11), and other groups (11).

As a result of Labor Racketeering investigations 1 vice-president, 1 secretary/treasurer, 1 trustee, 1 organizer, 20 members, 2 business manager/agents and 2 other affiliate of labor unions were convicted for illegal activities.

Specific organized crime case accomplishments follow. They are indicative of the complex, long-term, and personnel-intensive organized crime investigations being conducted by the FBI in which a wide variety of sophisticated, investigative techniques are being utilized.

In August 1985, an indictment was returned charging Luchese LCN capo and two other Luchese LCN members as well as 23 other individuals under the RICO statute with predicate offenses being multiple counts of narcotics violations, gambling, loansharking, credit card fraud, and conspiracy. In June 1986, a superseding indictment was returned in charging an additional 11 subjects with conspiracy to distribute cocaine. Several Title IIIs, physical surveillances, and consensual recordings by cooperating witnesses were used in this case. In October 1986, 11 defendants were convicted of narcotics violations.

In March 1986, through the use of several Title IIIs, a capo in the Gambino Family and five codefendants were convicted on charges of murder, ITSP, narcotics, bribery, ECT, prostitution, and pornography. The Gambino boss and defendant in this trial, Paul Castellano, was murdered prior to the conclusion of the prosecution. In November 1986, three defendants pled guilty. Twenty-two convictions have been recorded and the 165-year sentences given to two defendants were the longest sentences reported in the history of the Federal court in New York. A RICO trial is scheduled to commence in New York on the remaining three members and five associates in January 1987.

RICO indictments were returned against the hierarchy of the Genovese Family as a criminal enterprise. Included in this indictment were a boss, capo, and six soldiers of the Genovese Family, the acting boss of the Cleveland Family, and a Gambino member. The defendants were charged with the extortionate control of the concrete industry in New York, illegal control of the International Brotherhood of Teamsters, conspiracy to commit murder, and operating an illegal gambling

Through the use of Title IIIs and cooperating witnesses, the boss of the Colombo LCN Family, the underboss, three soldiers, and four associates were charged with RICO, RICO conspiracy, extortion, bribery of public officials and dealing in narcotics. Utilizing the factual presentation from the Colombo Family hierarchy criminal prosecution, a civil complaint was filed June 1986, charging 31 defendants with controlling a labor organization through a pattern of racketeering activities. The defendants from

whom the government is seeking injunctive relief include Laborers International Union of North America Local 6A, District Council of Cement and Concrete Workers, and Colombo LCN members and associates.

As of December 1986, an investigation has used an undercover operation, consensual monitorings and physical surveillances to document the corruption of sheriffs, judges, and other public officials in five counties of eastern Tennessee. Forty-five individuals have been arrested and/or indicted, including three judges, two sheriffs, and one former sheriff. The officials were involved in gambling and also received payoffs for judicial actions. The remaining 22 subjects who are yet to be indicted indicted include a judge, district attorney, sheriff, and other prominent public officials in eastern Tennessee.

A joint organized crime task force consisting of the FBI, IRS, and New York State and County Police Departments and prosecutors was formed to investigate the organized crime infiltration of the gasoline industry. This investigation exposed a scheme being utilized by various organized crime groups to defraud state governments and the Federal Government of millions of dollars through the evasion of excise taxes. To date, there have been 11 Federal and state convictions, including Colombo LCN member Michael Franzese, 12 returned indictments and 25 additional indictments are anticipated. New York State Department of Taxation estimated the disruption of the Franzese group alone will increase excise tax revenue by $200 million.

An investigation was directed at the LCN control of the 250 million-dollar-a-year moving and storage industry in the New York area. The investigation exposed a 20-year criminal conspiracy in which the LCN controlled this industry through its influence over officials in the International Brotherhood of Teamsters. In October 1986, guilty verdicts were returned in a RICO prosecution in the Eastern District of New York against 10 defendants to include the boss, underboss and acting boss of the Bonanno LCN Family and the President, Secretary Treasurer and Business Agent of a Teamster's Local.

In February 1986, Adler B. Seal, a DEA informant who testified before the President's Commission on Organized Crime, was murdered in Baton Rouge, Louisiana. Through an aggressive investigation, FBI Agents, within 48 hours identified and apprehended six subjects involved in the murder. In July 1986, three ranking members of the Ochoa Colombian drug smuggling cartel including Fabio Ochoa-Vasquez were indicted on charges relating to Seal's murder. The investigation involved physical surveillances and consensual monitorings.

As of August 1986, after an extensive three-year investigation, over 100 members of a major Mexican narcotics organization known to operate from Durango, Mexico have been indicted and arrested for various Title 21 violations in Chicago, Illinois. Forty-one subjects have pleaded guilty or have been convicted after lengthy trials. Additional indictments are expected in the investigation. Through the use of Title IIIs, physical surveillances, consensual monitorings, informants, and translators, this investigation has exposed the sophistication and the extent to which a major Mexican drug trafficker conducts illegal business within the United States from the safe confines of Mexico.

In May 1986, Vito Salvatore Sullo, a Sicilian Mafia figure wanted on murder and heroin charges by Italian police in Sicily, Italy, was arrested in Newark. This was a joint FBI, DEA, and Italian investigation regarding an international heroin smuggling and distribution network in Dallas, Newark, New Jersey, and Massa Carrara, Italy. Over 60 subjects have been arrested and are at various stages of prosecution. Nine kilos of cocaine, one and a half kilos of heroin, $7,100 in cash; and a 1985 Mercedes Benz 500 SEL valued at $50,000 were seized.

An investigation was initially begun by the Miami Division to address a number of unsolved murders in south Florida that were attributed to the Outlaw Motorcycle Gang (OMG). Through the extensive use of cooperating witnesses, indictments were obtained for twelve present or former members of the OMG charging them with violation of the RICO statute. The indictment was based on 90 predicate acts which include 11 murders, armed robberies, kidnaping, extortion, prostitution, and narcotics trafficking. Eight of those individuals indicted have been arrested.

During 1986, a special task force of FBI and New York Police Department (NYPD) personnel, investigated the illegal activities of a Chinese gang known as the United Bamboo Gang which emanated from Taiwan. Two NYPD officers, in an undercover capacity were actually inducted into the United Bamboo Gang, and aspects of the undercover operation were conducted in New York City, Las Vegas, Los Angeles and Houston. The investigation concerned illegal drug trafficking, the murder of journalist Henry Lui in California, extortion, weapons trafficking, and other criminal activities. The investigation included the use of consensual monitorings and physical surveillances. Twelve defendants were convicted in September 1986.

An investigation was initiated regarding an organization comprised of Jamaican nationals who are members of the Rastifarian Cult. Rastifarians are operating a loose knit cocaine distribution network and have been credited with 12 drug related homicides. Forty-five Jamaican cocaine dealers have been arrested. It is anticipated that additional indictments and arrests will be forth coming.

Organized Crime Information System:

In order to illustrate the value of OCIS to investigative efforts in the Organized Crime Program, a number of examples in which the system has been effectively employed are set forth below. The examples cited appreciably reduced the agent workyear commitment usually devoted to manual retrieval of the information obtained through use of OCIS and/or to efforts associated with time-consuming methods of exchanging investigative information without computer assistance. In each instance, retrieval of data and subsequent analysis of the information acquired through use of the system were accomplished by OCIS analysts. As a direct result of the efforts of these analysts coupled with their use of OCIS, agent personnel were able to accomplish their investigative responsibilities in an effective and highly efficient manner while at the same time devoting their time to the most complex aspects of their investigative responsibilities.

OCIS verified source information following an inquiry which involved paramilitary transportation of weapons and drugs from Colombia to Montreal and then to the United States. This resulted in a possible hit and previously unknown links to a sensitive investigation on the East Coast.

An agent was advised by an OCIS Analyst that, based on data in OCIS, the possibility existed of using an individual as an informant against the subject of an LCN investigation. Subsequently, an individual was identified, through an alias, as being involved with Kansas City LCN figures in large-scale thefts. It was determined through OCIS that this individual was being called on a continuing basis.

1763

A White Collar Crime squad utilized OCIS concerning anonymous information regarding a gambling junket in which a high ranking public official had taken part. The caller had given an approximation of the name of the man who had arranged the junket. OCIS was able to furnish the correct name as well as the descriptive data, associates, and travel clubs this individual was connected with, thus corroborating the information.

During the course of a Title III, the intercepted parties discussed phone numbers from Florida. Conversations with one individual known only by a first name were intercepted and negotiations of narcotics purchases were discussed. Subscriber information provided a possible last name for this individual. A check of OCIS disclosed a Philadelphia subject with a Florida address. This individual was subsequently identified as a Federal fugitive with suspected Sicilian Mafia ties. The subject was subsequently located and apprehended.

A link analysis was conducted regarding a pizza chain and the Sicilian Mafia. This analysis was based on information that a Sicilian was operating one of these restaurants in Kansas City and was allegedly paying tribute to the Kansas City LCN family. Analysis determined that there are 25 of these chain restaurants on the East Coast. Most have the same owners, who have links to a company with alleged organized crime ties including the Sicilian Mafia.

Aircraft Operations:

In addition to normal field office operations, numerous FBI special investigations were supported throughout the country. These include five major specials where pilots and aircraft were furnished on a temporary basis to field offices. Major temporary assignments required fifty-two pilots for 15-day assignments, three pilots for 21-day assignments, and six pilots for 30-day assignments, for a total of 1,324 days, not including travel time.

During 1986, the aircraft equipped with a Forward Looking Infrared (FLIR) platform, assigned to FBI Aircraft Operations, participated in approximately 40 major investigations across the United States requiring night surveillance. In two instances, surveillance by the FLIR aircraft led to arrests of subjects and recovery of ransom in kidnaping cases. Two major surveillances conducted with this system assisted in the location and arrests of numerous subjects involved in terrorist activities. The system was utilized to cover narcotics exchanges and to protect the safety of undercover agents. A top ten fugitive arrest was facilitated by night surveillance conducted by the FLIR system.

Special Operations Group/Off-Premise Sites:

Since 1979, the number of Special Operations Group/Off-Premise Sites has increased from 10 divisions operating 13 Special Operations Groups and 3 Off-Premise Sites to 24 divisions operating 33 Special Operation Groups and 14 Off-Premise Sites. Special Operations Groups were organized to investigate, observe, and penetrate ongoing criminal activity for the purpose of gathering evidence. Their continued emphasis has been to target organized crime investigations. Since 1985, on more than 25 occasions, Special Operations Group teams comprised of 6 agents were directed to divisions needing Special Operations Group expertise for an extended period of time. One instance occurred when 12 Special Operations Group teams were detailed to assist a western division office. A total of 478 workyears were expended by SOGs in support of all investigative programs, although the majority of this effort was in support of organized crime investigations.

Program Changes: An increase of 245 positions (163 workyears) and $13,588,000, including $6,219,000 in nonpersonnel funding is requested for the Organized Crime Program. The requested 106 agent and 54 general support positions will enable the FBI to continue to build on its investigative successes for the purpose of dismantling the entire LCN structure and relieving American society of the stranglehold the LCN now maintains. The ongoing problem confronting the FBI is the growing need for general support employees to support the agents in the field offices. The agent positions will be directed toward labor racketeering matters, specifically toward the La Cosa Nostra's criminal control and domination of four major national and international unions in the United States. These unions are: the International Brotherhood of Teamsters; the Laborer's International Union of North America; the Hotel Employees and Restaurant Employees International Union; and the International Longshoreman's Association. Through control of these unions, the La Cosa Nostra gains political power, economic power and a vast source of funds from which they can finance other illegal activities. With the concentrated efforts on the labor racketeering matters in 1988, the need for personnel to type, file, transcribe tapes, and handle day-to-day operations of the office will increase. The President's Commission on Organized Crime reported that, based on an analysis conducted by the Wharton Econometric Forecasting Associates Inc., estimates that organized crime reduces the Gross National Product by $18 billion a year and reduces employment by 414,000. They also estimate that organized crime raises consumer prices about 0.3 percent and reduces per capita personal income by $77.22.

The special support positions will greatly facilitate investigative efforts and contribute measurably to the overall efficient use of allocated agent resources. The 66 OCIS positions will enable OCIS to address the demands placed on it since 1982 when the FBI received concurrent jurisdiction in narcotics investigations. The requested positions will relieve agent personnel of routine, less complex matters and will provide vital resources in order for the FBI to take advantage of the high speed, cost effective capabilities OCIS was designed to provide.

An additional 66 special support positions are essential for the OCIS. OCIS provides the FBI with nationwide computer capabilities which assist in the collation, analysis, and dissemination of investigative information relative to organized crime. Within OCIS, particular emphasis is placed upon link analysis of relationships which may exist between or among organized crime groups and narcotics cartels. Information developed through traditional investigative efforts, physical surveillances, and electronic surveillances is entered into OCIS. The vase quantity of investigative information obtained during Title III intercepts can become so overwhelming that it cannot be made readily accessable using a manual filing system. The speed, accuracy, and analytical capabilities of OCIS are used to cull the voluminous amounts of data that have been amassed during investigations to facilitate and further direct investigative efforts. Without the capabilities of OCIS, the amount of time required to resolve a case is substantially increased and requires the commitment of a substantial amount of additional agent workyears.

At the base level, OCIS files designed to save time and resources will not be fully used and the cost effective benefits of the system will not be realized. Two examples are the Title III and Pen Register files. Both were designed to sort, collate, and print at high speed the large amounts of information these investigative techniques generate. However, due to insufficient OCIS personnel to process the pertinent background data to support these files, use of these two files has been extremely limited. During 1986, the OCP and Organized Crime Drug Enforcement Task Force program initiated 105 Title III intercepts; only 16 had results of the intercepts entered into OCIS. Of those entered into OCIS, the average number of intercepts was approximately 1,210

intercepts. Based on that average, the 89 Title IIIs not entered into OCIS would have resulted in approximately 107,700 intercepts. At base level funding, OCIS analysts were not available to process this data into the system and thereafter provide agents with analytical reports to support the investigation. Hence, agents were required to perform functions which should have been handled by lower grade employees, thereby freeing the agents for the more complex phases of investigations. In addition, agents must also rely on antiquated, less-accurate, and time-consuming manual filing systems for storing retrieving pen register and Title III information.

At the present time OCIS analysts spend approximately five percent of their time retrieving data and preparing projects in support of specific oganized crime cases and the OCP in general. To fully use the capabilities of these specially trained employees, it is estimated that they should dedicate 25 to 30 percent of their time to the preparation of these reports. However, due to the critical shortage of OCIS personnel, the available analysts must forego these reports in order to enter information into OCIS. The entry of information is critical, inasmuch as OCIS will be the base line system for the implementation of the the labor-racketeering expert system now under development. Without this data, the artificial intelligence capabilities of the labor racketeering system will not be used to its full potential.

As of October 1986, approximately 28 percent of the organized crime matters in the 33 field offices currently on-line with OCIS had no data entered into the system. Over 51 percent of all pending OCP cases had not data entered into OCIS. As a result, the OCIS data base is incomplete. This will preclude those offices on-line with OCIS from having access to information which might be vital to their investigative efforts. In addition, base level personnel funding does not allow other field offices to implement the OCIS program. Hence, the unavailability of OCIS in field offices severely hampers coordination among field offices, and between field offices and FBI Headquarters. Further, the coordinated efforts between the FBI and DEA, which includes limited direct access to OCIS by DEA at their headquarters, will also be impaired. The base level of funding will permit most of the data regarding the LCN and Sicilian Mafia to be processed into OCIS; however, entry of information regarding OMGs, Oriental groups, and other significant non-LCN groups will be delayed. Relationships between individuals and groups, which OCIS can readily identify, will go undetected and reslut in costly duplication of investigative effort.

The three Intelligence Research Specialists (IRS) will provide the FBI with specialized employees who will possess a thorough knowledge of the FBI's Organized Crime Program, to include the activities of the LCN, narcotics cartels, and other organized crime groups. The IRS will use data obtained from OCIS, while not duplicating the function of OCIS analysts, as well as information from pending and closed investigations, and, through liaison efforts with intelligence specialists of other agencies, both law enforcement and non-law enforcement, provide forecasts, predictions, and trend analysis necessary to plot courses of investigative action, focusing efforts toward the more signigicant organized crime groups. The IRS will also analyze Title III information, especially secondary individuals and violators who could become the focus for subsequent investigations.

In an effort to capitalize upon one of its most significant investigative techniques and to enable FBIHQ to properly manage use of informants in support of criminal investigations, the FBI has developed a computerized Criminal Informant Management System (CIMS). CIMS will be installed in all FBI field offices by 1988. Once fully implemented, informant information will be much more readily available to agents, while at the same time providing for rapid collation of information, informant statistics, and administrative data within the field and at FBIHQ. Implementation of the system will permit the FBI to accomplish a variety of

1766

tasks which are labor intensive -- some of which are currently performed manually and others of which are foregone or delayed because of resource constraints. CIMS has been established as a separate computerized system in order to provide optimum security for the sensitive information which will be maintained in the system. A total of ten analysts are required in 1988 to continue implementation of the system which will simplify and streamline the various administrative procedures associated with an informant (seven will provide direct support in the field and three will support system operations at FBIHQ).

The FBI has made extensive use of a variety of sophisticated investigative techniques against narcotics traffickers. One of the most successful techniques has involved the use of aerial surveillance. The FBI's aerial surveillance capabilities have been significantly enhanced through the use of an aircraft equipped with a Forward-Looking Infared (FLIR) platform for night surveillance. The operation of this aircraft requires four Investigative Specialists. In view of that fact, funding is required for the four operator personnel necessary for the continued use of the FLIR aircraft in support of this initiative.

Nonpersonnel Enhancements

The use of informants provides the FBI with a means to gather information and evidence and is often far more effective and efficient than the investigative efforts of agent personnel. While the amount of funds being expended by the FBI for informant payments continues to increase, both field office and FBIHQ management closely scrutinize requests for payments to insure that the monies paid for information, services, and/or expenses of informants are commensurate with the services which were performed. Payments to informants have historically exceeded funded allocations in the Organized Crime Program and have produced results commensurate with the amount of funds expended. In 1984, payments to informants exceeded funded levels by approximately $2.5 million. In 1985, payments exceeded funded levels by approximately $2.1 million, and it is estimated that in 1986 payments will exceed funded levels by approximately $2.2 million. This increase in spending is a result of the overall increase in the total number of informants being operated by the FBI as well as their involvement in more complicated investigations resulting in larger payments to the informants. The statistical accomplishments attributable to informants is reflective of their involvement as they often obtain information or perform services which our investigative Special Agents cannot perform or obtain. In 1986, the statistical accomplishments attributable to informants in FBI investigations were: 1,458 subjects arrested, 10,978 subjects identified, 2,351 investigations initiated, $159,591,441 in value of merchandise recovered, and 1,239 convictions.

The emphasis being placed by the FBI on efforts to combat the importation of heroin from Sicily into the northeast will require the development of additional informant coverage by the FBI. The additional coverage will, in turn, require the expenditure of additional informant payments; therefore, the Organized Crime Program is requesting an increase of $138,000 for 1988.

No separate funding presently exists to offset expenses incurred by the FBI while maintaining individuals who have been proposed for entry into the Witness Security Program, but who have not yet been accepted into that program. It is the responsibility of the sponsoring agency to maintain the security of such individuals until such time as they are accepted for entry into the WSP by the Office of Enforcement of Operations, Department of Justice, and the United States Marshals Service. As a result of the increased review given to an individual proposed for entry into the WSP resulting from the passage of the Witness Security Act of 1984, the period of time which is required to process an individual for entry into the WSP now averages approximately eight weeks. This increased time during which the FBI must provide security for endangered witnesses has greatly increased the amount of funds being expended for maintenance and security of individuals awaiting approval for entry into the WSP.

The FBI continues to sponsor approximately 120 individuals each year for entry into the WSP--spending approximately $425,988 in 1984, and $630,430 in 1985, for these expenses. As a result of the FBI's involvement in narcotics investigations, and due to the violence prone nature of narcotics traffickers, an ever increasing number of witnesses are being proposed by the FBI for entry into the Witness Security Program. It is estimated that at least $750,000 will be required for these expenses in 1988.

The FBI frequently employs Special Operations Groups (SOGs) and/or uses Off Premise Sites (OPS) to facilitate its investigative efforts regarding narcotics trafficking. SOGs are used to conduct complex and sophisticated physical surveillances in support of undercover operations, Title III electronic surveillance installations and operations, and other sensitive matters. In order to conduct effectively such surveillances, it is necessary to employ specially trained agent personnel and coordinate closely technical, aerial and ground surveillance efforts in a manner which will prohibit detection by surveillance-conscious narcotics traffickers. The SOGs have become an essential and integral part of FBI operations. During 1986, SOGs were credited with 1,012 felony convictions and over $50 million in fines, savings, recoveries, and potential economic loss prevented. At the present time, only 24 of the FBI's 59 field offices have SOGs. The requested increase of $780,000 will provide for the establishment of SOGs and OPS in six additional field offices which have a present demonstrated need for a full-time SOG capability.

During 1986, FBI aircraft flew a total of 37,128 hours at a total cost of approximately $5,932,000. Those costs included $500,000 for operation of the Forward Looking Infrared (FLIR) aircraft. It is noteworthy that flight hours for FBI aircraft have increased over 100 percent since 1979, when 17,000 flight hours were flown in support of FBI investigative activities. Based upon a projected 10 percent annual increase in actual flight hours and increased rental costs for certain helicopters, funding enhancements are sought for the following categories of expenditures in support of aircraft operations: $224,000 for rental costs and $108,000 for aviation fuel costs.

The FBI formulated its long range plan for the acquisition and replacement of FBI aircraft based upon an August 1980 study by the Department of Justice which indicated outright purchase is the most effective and efficient method of obtaining aircraft. The plan calls for the assignment of one surveillance aircraft, up to a maximum of four, for each 300 hours of usage in those offices which fly more than 600 hours annually. It is projected that the workload demand for aircraft flight hours will require an additional $224,000 for aircraft rental expenses in 1988.

Portable intercommunications systems (ICS) are required for the safe and efficient operation of FBI aircraft. When operating in a high noise environment, pilots need the capability to transmit and receive simultaneously and independently on FAA and FBI radios, as well as be able to talk to one another. This capability is currently provided by portable intercommunications boxes acquired during the period from 1978 to 1982, which have become increasingly unreliable with their use and age. An enhancement of $100,000 is required to purchase 40 new portable ICs for installation in FBI aircraft as needed.

The FBI currently uses a large twin-engine aircraft, known as Night Stalker, which carries a stabilized FLIR platform to conduct sophisticated night surveillances. At the present time, the FBI does not have any other owned, leased, or rented aircraft that are suitable for a FLIR installation which have the capability for high speed and long-range response. In some instances, the FLIR system was temporarily unavailable for use in major investigations because of maintenance downtime. In addition, there were

numerous instances in which the FLIR aircraft was required to fly coast-to-coast on short notice to respond to emergency situations. Because of the significant benefit which FLIR aircraft has provided to a number of major investigations during the first two years of its operation, and based upon operational constraints which result from use of a single aircraft, it is apparent that a second FLIR aircraft is required to provide effective support to the major organized crime investigations addressed in this initiative. Once acquired, this aircraft will be based on the West Coast, and the FBI will be able to provide same-day response capability anywhere within the United States for two investigations being conducted simultaneously. The cost of this aircraft and equipment is estimated to be $3,500,000. Of the total cost, it is estimated that $2,000,000 will be required for aircraft, $500,000 for the FLIR, and $1,000,000 for the requisite modification of the aircraft and installation of the FLIR.

Since becoming operational in February 1984, Night Stalker has flown over 1,200 hours in support of 50 major investigations. In 1986, Night Stalker flew over 791 hours at an operational cost of $493,466. Based upon the substantial benefit which has been derived from operation of the aircraft in major investigations to date, it is anticipated that Night Stalker will fly 1,000 hours in support of FBI investigations in 1988. It is projected that operational costs for the aircraft will be approximately $500 per hour. In view of that fact, an enhancement of $119,000 to base-level funding will be required to sustain operation of Night Stalker at its expected workload in 1988.

As the volume and complexity of investigations increased, so too has the amount of travel necessary to investigate these matters within the OCP. Travel is required to insure that all facets of an investigation are coordinated and that a propert level of informant, cooperative witness, trial preparation, and investigative leads are completed. An example of required travel is the New York "Pizza" case that involved several field offices and other Federal agencies. Extensive travel was required to coordinate investigative efforts that led to the maximum prosecution of subjects. The FBI closely monitors travel costs to insure only those necessary expenditures are incurred. In spite of these efforts, at the present time, the cost of travel has exceeded base level funding. In 1988, it is anticipated that travel costs will continue to increase with the FBI's committment to aggressively investigate the illegal activities of organized criminal groups and high-level narcotics traffickers. It is realized that overspending alone does not justify budget enhancements; however, in view of the FBI's efforts to maintain an aggressive posture, while eliminating unnecessary travel, $500,000 of additional travel funds is required.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Organized Crime Drug Enforcement	534	528	$39,474	534	534	$44,298	546	546	$46,254	12	12	$1,956

Long Range Goal: To identify, investigate, and prosecute members of high-level drug trafficking enterprises, and to identify and seize assets obtained with proceeds from illegal activity for the purpose of initiating forfeiture action; and to neutralize the operations of those organizations.

Major Objectives:

To pursue the goals of the FBI's National Drug Strategy which include targeting, investigating, seizing the assets and prosecuting the members of organized criminal groups who engage in high-level drug trafficking enterprises, as well as large-scale money laundering organizations. These groups include but are not limited to the Colombian cocaine cartels, Mexican heroin and cocaine networks, and the La Cosa Nostra (LCN) and Italian organized crime groups, such as the Sicilian Mafia, the Camorra, and the N'Drangheta. Other groups to be addressed by this strategy are the outlaw motorcycle gangs (OMG), Oriental groups, and other significant drug traffickers.

To promote a coordinated drug enforcement effort in each Organized Crime Drug Enforcement Task Force (OCDETF) area and to encourage maximum cooperation among all drug enforcement agencies.

To work fully and effectively with federal, state, and local agencies involved in drug enforcement.

To make full use of financial investigative techniques, including tax-law enforcement and forfeiture actions, to enable the Government to seize assets and profits derived from high-level drug trafficking.

Base Program Description: The investigative jurisdiction of the FBI in drug matters is based on Attorney General Order Number 968-82, dated January 28, 1982. The Order authorizes the Director of the FBI, concurrently with the Administrator of the Drug Enforcement Administration (DEA), to investigate violations of the criminal drug laws of the United States. These violations are detailed in the Comprehensive Drug Abuse Prevention and Control Act of 1970, also referred to as the Controlled Substance Act (Title 21, United States Code (USC)). Executive Order 12368, dated June 29, 1982, announced the formulation of policy regarding the coordination and oversight of international and domestic drug abuse. Subsequently, on October 14, 1982, the President directed that 12 task forces be formed to coordinate a nationwide initiative by federal, state, and local law enforcement agencies to investigate and prosecute major drug traffickers, organized crime figures, and others involved in illicit drug activity. In 1985, funding was provided for the creation of a 13th task force to operate in southern Florida.

It is estimated by governmental agencies that as many as 41 million people in the United States spend approximately $80 billion annually on heroin, cocaine, marijuana, and hashish. Illicit drug activities are a source of large profits for organized crime and other major traffickers. These profits are often funneled into other enterprises fostering a cycle of criminal activities, political and police corruption and creating a heavy financial burden on every United States citizen. In addition to the financial burden which must be borne by the public, law enforcement statistical data reveals that a large percentage of violent personal crimes are related to drug activities.

Prior to 1986, the FBI's drug program allocated resources toward dismantling illicit drug networks involving the LCN and nontraditional organized crime groups, such as the OMGs. In 1986, the FBI redefined its National Drug Strategy and identified Colombian cartels, Mexican groups, and Italian criminal organizations, primarily the Sicilian Mafia but including the Camorra and the N'Drangheta, as the most significant entities to be investigated. OMGs, Oriental groups, and other significant trafficking groups continue to be a part of this strategy.

In 1983, the FBI received an allocation of 322 Special Agents for OCDETF matters. In 1985 and 1986, funding was provided for a total of 360 and 362 agent workyears respectively. The FBI expended 538 agent workyears in 1985 to address OCDETF matters and approximately 504 workyears in 1986. In 1987, 410 agent workyears are funded. The FBI's commitment of resources to this program reflects the priority given OCDETF. The FBI's experience in OCDETF cases indicates that these investigations are resource intensive because of the necessity to employ Title III electronic surveillances, long-term undercover operations, and sophisticated physical surveillances necessary to develop evidence. The significance of the coordinated law enforcement effort directed against organized criminal groups involved in drug trafficking cannot be overstated. Resources in this program are being used to address some of the most significant drug investigations currently underway at the Federal level.

Accomplishments and Workload: Actual and estimated accomplishments in OCDETF investigations from 1985 to 1988 are set forth below:

			Estimates	
	1985	1986	1987	1988
Investigative Matters Handled	3,269	3,058	3,251	3,320
Title IIIs Initiated	48	34	35	35
Informations and Indictments	2,098	2,184	2,490	2,490
Convictions/Pre-trial Diversions	1,369	1,610	1,835	1,835
Court Ordered Forfeitures ($000 in thousands)	*	$20,775	$24,200	$24,200

* Court Ordered Forfeitures were not tracked as a separate item prior to 1986.

During 1986, OCDETF investigations resulted in over 1,950 indictments and 1,550 convictions. The cases mentioned below are typical examples of investigations conducted by OCDETF throughout the United States. They illustrate the fact that these investigations are long-term, complex and require the use of labor-intensive investigative techniques such as Title III surveillance and undercover operations.

1771

A joint FBI, DEA, and local law enforcement effort focused on the illegal activities of a suspected long-time associate of Milwaukee LCN figures, including the Family Boss and Underboss, resulted in the most severe sentence ever meted out on a Continuing Criminal Enterprise (CCE) conviction in the Eastern District of Wisconsin. One individual was convicted on RICO and CCE violations and sentenced to 121 years in prision. Twelve cocaine dealers who worked for this individual were also indicted and convicted on various drug charges during 1986.

The FBI arrested two subjects and seized 45 kilos of cocaine as the result of a joint FBI/DEA undercover investigation which focused on a drug trafficking organization. This organization, based in the cental United States, distributed about 10 kilos of cocaine per month. The source of supply was an eastern United States import business that has a direct source of supply from Bolivia.

The Santiago investigation was a two-year OCDETF investigation which evolved from an investigation of a close-knit group of Puerto Ricans (who were distributing multi-kilo quantities of brown heroin in the midwest) into an investigation of various members of the Mexican Herrera Organization in the Chicago, Denver, El Paso, Indianapolis, Miami, Los Angeles, and San Juan Field Offices. This case utilized up to nine Title III electronic surveillances, simultaneously, for a period of nine months as well as a number of undercover agents. Sufficient evidence was developed to indict 10 subjects for various Title 21 violations. Nine language specialists were utilized for a period of 9 1/2 months. An observation post was manned for two shifts for two months. To date, 44 subjects have been arrested without incident in this investigation and 12 fugitives are still outstanding. Civil forfeiture warrants for numerous automobiles, and 47 businesses and residential properties have been executed. Further, numerous weapons, approximately $400,000 in U. S. currency, eight kilos of brown heroin, nine kilos of cocaine, 13 pounds of marijuana, small quantities of other drugs, and gold jewelry (valued in excess of $500,000) have been seized. To date, a total of 44 subjects have been convicted and sentenced in this case. During these trials, 1,300 hours of video tapes and 3,000 still photos were entered as evidence.

An investigation involving Sicilian-based heroin was initiated in 1981 and involved seven FBI field offices, DEA, U.S. Customs Service, New York Police Department, and five foreign countries. This effort resulted in 47 Title III orders and over 13 months of continuous physical surveillances, undercover operations, and investigative analysis by all the above agencies, both domestic and international. This investigation culminated with the arrest of 37 individuals and the execution of 49 search warrants. Additionally, 175 Sicilian Mafia members and associates were subsequently indicted in Italy. In order to support this particular investigation, extensive domestic and foreign travel of Agent personnel was essential. At one point in this investigation, it was necessary to transport an entire surveillance team via a military transport plane at a cost of approximately $9,000 for fuel. Additional investigative expenditures involved contract translators at a cost of approximately $275,000. Since the initiation of this case, numerous other Sicilian Mafia drug investigations have been instituted. Although the spinoff cases are in their initial stages, they have all involved electronic surveillance, extensive physical surveillance, foreign travel, and utilization of Italian/Sicilian translators. Twenty-two defendants are presently standing trial in New York.

A joint FBI/Mississippi State Police investigation began in April 1985, directed against the drug trafficking activities of the Jackson Chapter of the Bandido motorcycle gang. An undercover operation, utilizing extensive consensual monitoring authority, gathered significant evidence regarding the Bandido's multistate drug activity, as well as their involvement in prostitution,

loan-sharking, transportation of stolen property, and the illegal possession of automatic weapons and explosives. This investigation was converted to an OCDETF matter in February 1986. Numerous purchases of drug evidence were successfully negotiated by the confidential sources. As a result of these efforts, grand jury indictments were returned against 13 members and associates of the Bandidos in August 1986. The indictments charged violations of Federal drug laws. In addition, one Bandido officer was charged with operating a Continuing Criminal Enterprise. To date, 12 of these individuals have been arrested and are pending trial.

An investigation was instituted addressing the illegal heroin/cocaine trafficking of the Black Mafia in the Eastern United States. Highly placed informants have indicated that heroin distributed by this organization is being supplied by the Gambino LCN family in New York. Undercover purchases of drugs and Title IIIs have been utilized to bring this investigation to an indictment stage.

An investigation was instituted on a group identified as being responsible for importation of heroin from Pakistan, Holland, Belgium, England, and subsequent distribution of this heroin throughout the east coast of the United States. In conjunction with the New York City Police Department and DEA, joint arrests and search warrants were executed. A total of forty-two subjects were arrested, two kilograms and 13 ounces of heroin and in excess of $48,850 in cash were seized. Bank accounts utilized by this group, located outside of the United States, have also been identified and forfeiture efforts are being pursued.

Program Changes: To continue its efforts toward attaining its established goal of significantly disrupting major drug organizations - an additional 12 agent positions will be required. If the FBI is to maintain its current, aggressive approach to the investigation and prosecution of major drug trafficking organizations, while closely coordinating its efforts in cooperative endeavors with other members of the OCDETF community, the additional resources must be provided. The requested increase will permit the FBI to continue working closely with the DEA, IRS, and U.S. Customs Service as well as foreign authorities to coordinate the penetration of these organizations in a manner in which financial assets can be tied to high-level drug activities so that seizures can be made.

The resources requested will enable the FBI to investigate, seize assets, initiate forfeiture actions, and support prosecution of members of organized criminal groups, such as the La Cosa Nostra, the Sicilian Mafia, Colombian narcotics cartels, and Mexican narcotics networks, who are engaged in high-level drug trafficking enterprises. Through the use of the the requested resources, the FBI will be able to participate more effectively in Organized Crime Drug Enforcement Task Force endeavors. In addition, it will be able to continue with the implementation of a strategic plan, for which the FBI received 48 agent positions in 1987, and which is being coordinated with the Drug Enforcement Administration, to investigate the activities of the Sicilian Mafia, Colombian cocaine cartels, and Mexican heroin groups which are significantly involved in the importation and distribution of narcotics. After its formal review and approval by the Director of the FBI, this plan was presented to the Attorney General in May 1986, who voiced his enthusiastic support for the initiative.

If the FBI's Organized Crime Drug Enforcement Task Force Programs are maintained at their present base levels of funding, they will continue to achieve accomplishments which will impact upon narcotics problems facing the United States. However, unless funding is increased, the FBI will not be able to pursue avenues of opportunity that have opened as a direct result of recent investigative successes. Thus, the FBI would be prevented from following through upon and expanding initiatives which could level

a devastating blow to the major narcotics networks. These cases often require substantial and protracted investigative efforts, which include the use of a variety of sophisicated techniques. In the event additional funding is not received, it will be necessary for the FBI to reduce its commitment to Organized Crime Drug Enforcement Task Force matters. Such an action would severely impant upon the ability of the Task Forces to address ongoing narcotics investigations. Moreover, the FBI would be unable to provide the Task Forces with the technical support -- that is, sensitive physical, electronic, and aircraft surveillance support -- which is of critical importance to the successful resolution of the complex, major investigations being conducted by the Task Forces.

A request is made for funds specifically for support of the National Drug Enforcement Policy Board because of increased requirements associatated with this responsibility.

The use of informants provides the FBI with a means to gather information and evidence and is often far more effective and efficient than the investigative efforts of agent personnel. While the amount of funds being expended by the FBI for informant payments continues to increase, both field office and FBIHQ management closely scrutinize requests for payments to insure that the monies paid for information, services, and/or expenses of informants are commensurate with the services which were performed. Payments to informants have historically exceeded funded allocations and have produced results commensurate with the amount of funds expended. In 1984, payments to informants exceeded funded levels by approximately $2.5 million. In 1985, these payments exceeded funded levels by approximately $2.1 million, and it is estimated that 1986 expenditures will exceed funding levels by approximately $2.2 million. This increase in spending is a result in the overall increase in the total number of informants being operated by the FBI, as well as, their involvement in more complicated investigations, which result in larger payments to informants. The statistical accomplishments attributable to informants is reflective of the quality of services and information being provided by FBI informants. In 1986, 1,458 subjects arrested; 10,978 subjects identified; 2,351 investigations initiated; $159,591,441 in value of merchandise recovered and 1,239 convictions were attributed to the use of informants within FBI investigations.

The requested increase of $825,000 in informant payments for the OCDE Program in 1988 is necessary if the FBI is to maintain the high quality investigative efforts being performed by its Special Agents through the efficient operation of informants. The emphasis being placed by the FBI on efforts to combat the importation of Mexican heroin from Sicily into the northeast will require the development of additional informant coverage by the FBI. Additional coverage will, in turn, require the expenditure of additional informant payments.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
White-Collar Crime	3,045	2,939	$158,906	3,044	2,957	$176,163	3,124	2,997	$178,166	80	40	$2,003

Long-Range Goal: To reduce losses in Government programs, private sector businesses, and labor unions from corruption, fraud, and embezzlements, and to provide investigative assistance to the Department of Justice (DOJ), including United States Attorneys throughout the United States, in Civil and Antitrust matters.

Major Objectives:

To identify, investigate, and obtain prosecution in: major fraud against the Government cases involving illegal practices by program and project management officials and officers of firms doing business with or for the Federal Government; Federal violations involving systematic corruption by Federal, state, and local executive and management level public officials, as well as private citizens acting in complicity with corrupt public officials; Federal fraud, bribery, and embezzlement violations committed by bank officers, directors, customers, and owners, particularly those that result in the financial institution's failure or merger in lieu of failure; Federal fraud violations committed by officers, directors, and major stockholders of financial institutions; Federal fraud violations committed by officers, directors, and owners of major companies involved in the illegal disposal of toxic waste; thefts or embezzlements of monies or assets of a labor organization, employee pension fund, or welfare benefit plan; and significant trademark counterfeiting, computer fraud, and bankruptcy fraud matters.

To establish new and innovative means of collecting and collating White-Collar Crime Program (WCCP) data from multiple sources in order to identify high impact white-collar criminal organizations for subsequent investigation.

To support the Antitrust Division of the Department of Justice in the enforcement of antitrust statutes in high-impact cases by conducting the necessary investigations.

To support the Civil Division of the Department of Justice and United States Attorneys throughout the country in representing significant Government interests in civil matters.

To support and actively participate in the efforts of the President's Council on Integrity and Efficiency, the Attorney General's Economic Crime Council, and the Interagency Bank Fraud Enforcement Working Group to coordinate a unified attack on high impact white-collar crime (WCC).

To assist other Federal, state, local, and foreign law enforcement and regulatory agencies in making a coordinated and effective attack on WCC.

To insure that WCCP management provides sufficient coordination, direction, and resources to enable the FBI to address all priority investigations.

To plan and implement undercover operations directed against the subjects of significant WCC investigations.

To recruit, direct, and maintain WCC informants and confidential sources and enhance liaison with professional associations and private businesses in order to maintain an adequate intelligence base concerning WCC matters within the investigative jurisdiction of the FBI.

To promote the utilization of electronic surveillance investigative techniques in WCC investigations.

Base Program Description: WCC is defined as those illegal acts which are characterized by deceit, concealment, or violation of trust and which are not dependent upon the application or threat of physical force or violence. Such acts are committed by individuals and organizations to obtain money, property, or services; to avoid the payment or loss of money or services; or to secure personal or business advantage.

The Department of Justice has identified and ranked priority areas regarding WCC. These are: crimes against Federal, state, or local governments by public officials and private individuals; crimes against businesses, consumers, investors, and employees; and crimes affecting the health and safety of the general public.

In response to the above, the FBI established three major priorities within the WCCP. They are: (1) fraud against the Government matters involving United States Government officials (and/or losses exceeding $25 thousand) and bribery and other public corruption involving Federal officials (Government Fraud); (2) Federal, state, and local public corruption (Public Corruption); and (3) financial crimes.

1776

Governmental Fraud Subprogram

These investigations address allegations of fraudulent acts involving federally funded programs or bribery/conflict of interest in the executive branch of Government. This top priority subprogram endeavors to investigate and seek prosecutions of those individuals who, through deceit or dishonesty, attempt to interfere with the lawful functioning of Federal agencies, programs, or projects. This subprogram has achieved its top priority status due to the concerns of the Attorney General's Economic Crime Council, the President's Council on Integrity and Efficiency, and FBI executives. The investigations given "priority" status are those involving frauds in excess of $25,000 and especially those involving the Department of Defense or the Department of Health and Human Services. Allegations of bribery and/or conflict of interest on the part of Federal employees are considered extremely sensitive and must be addressed immediately.

In addition to the corruption of Federal officials, this subprogram also deals with procurement, entitlement, and false claim frauds. Procurement frauds (with heavy emphasis on Defense procurements) include labor mischarging (charging other Government contracts for costs incurred on overrun contracts), defective pricing (falsifying or fraudulently withholding pertinent cost information during contract negotiations), product substitution, and false test certifications. Entitlement frauds primarily consist of applications for and/or receipt of Federal funding by those not eligible for such funding (many of the food stamp and health care frauds are representative of this). False claims run the gamut of charging the Government for work not performed

(usually by overstating progress payment requests), using false billing rates, billing for services that were not necessary, and creating completely fictitious invoices.

FBI participation in joint investigations with the Inspectors General and military investigative agencies has not only increased the number of significant fraud cases that are being investigated, but it also has drawn on other agencies' experience and expertise to assist in accomplishing thorough and comprehensive investigations in a timely fashion. Examples of this approach include: joint Defense fraud investigations coordinated through participation in the Defense Procurement Fraud Unit; joint city task force investigations with the Department of Housing and Urban Development and Veterans Administration addressing family housing frauds; and city task force investigations addressing false claims to Medicaid/Medicare made on the part of doctors, hospitals, and laboratories.

Public Corruption Subprogram

Public corruption involves the investigation of systematic corruption by Federal, state, and local executive and management-level public officials. Public corruption can be broadly defined as occurring when any elected or appointed public official (local, state, or Federal) acting for, or in behalf of, his/her public office asks, demands, solicits, seeks, accepts, receives, or agrees to receive anything of value in return for being influenced in the performance of any official act. The necessary evidence to support an allegation of public corruption must often be gained through the testimony of informants and cooperating witnesses, the use of consensually monitored conversations and court-ordered electronic surveillances, and the use of undercover operations. As these investigative techniques become known through their exposure during subsequent courtroom proceedings, they must be replaced by new and often more labor intensive techniques. Electronic and operational countermeasures are now being employed by some sophisticated white-collar criminals to thwart law enforcement efforts. Because of the intense pressures which wealthy and politically powerful public officials are able to exert, it can be extremely difficult for state and local authorities to effectively conduct public corruption investigations. The FBI must be able to pursue allegations of public corruption which cannot be deferred to state or local authorities.

Financial Crimes Subprogram

Financial crimes investigations primarily involve frauds, embezzlements and other thefts occurring within or against the national and international financial community. Priority matters currently of particular concern are bank failures or bank (and savings and loan association) mergers in lieu of failure caused by fraud and embezzlements perpetrated by bank officers, owners, or major stockholders. A 1984 Congressional study found actual or probable criminal misconduct by officers, directors, or other insiders in 61 percent of recent bank failures and concluded that officials of failed or problem banks usually escape prosecution or sanctions by the Government. This study indicated that criminal activities by bank officers, directors, and owners contributed to 35 bank failures in 1983. The assets of these institutions totaled far in excess of $3 billion. To illustrate the scope of the bank failure problem, from January 1, 1981 through December 31, 1986, 657 commercial banks and savings and loan institutions have been closed or merged with other financial institutions in lieu of failure. Of this total, 293, or 45 percent, occurred during the period from January 1, 1985, through December 31, 1986. Federal regulatory agencies forecast a continuing pattern of bank failures.

17777

The fraud by wire statute is one of the most effective tools available to combat national and international fraud schemes. These schemes include advance fee loan frauds, "Ponzi" investment frauds, pyramid business frauds, "boiler rooms", and numerous other types of fraud. The advance fee loan scheme preys upon the small businessman, the farmer, or entrepreneur who is vulnerable because of a desperate need for cash. An example of a significant national fraud case which utilized the fraud by wire statute, as well as bank fraud and embezzlement statutes, is a case which resulted in the conviction of seven former officers of ESM Government Securities, Incorporated, Ft. Lauderdale, Florida, and the former managing partner of the Miami office of Alexander Grant and Co., Certified Public Accountants. These individuals were convicted of participating in a nationwide fraud scheme involving the purchase and repurchase of Government securities, which caused losses of over $300 million to financial institutions, municipalities, and creditors. Continuing technological advances in mass marketing and electronic fund transfers enable the perpetrators of these fraudulent schemes to operate with remarkable speed and efficiency. Fraudulent bankruptcy, computer crimes, and stolen securities violations, as well as new or enhanced statutes under the Comprehensive Crime Control Act of 1984, are also addressed in this subprogram.

Testimony before the United States Senate, as recorded in the June 13, 1984, Congressional Record, reflects the Federal Government alone uses more than 16,000 computer systems, and the private sector utilizes more than 50,000 large, general purpose computers. In addition, some 3.5 million personal computers are currently in use in the business field. These computer systems represent potential targets of computer crime. The increasing numbers of and dependency on computers are expected to result in an increasing incidence of computer-related crime. Financial crimes matters such as bank failure and major fraud investigations often require the concentration of relatively large amounts of FBI personnel for extended periods of time.

FBI WCC investigators and accounting technicians, by virtue of their formal education and experience in accounting investigations, are highly qualified to conduct financial crimes investigations. Because of the voluminous amounts of documentary evidence encountered in these types of investigations, the FBI's Investigative Support Information System (ISIS) is often used to assist investigators in collating evidence and testimony on complex issues, events, and the activities of multiple defendants.

The FBI also conducts extensive investigations in connection with the Government's prosecution of antitrust matters and the litigation of civil matters.

Accomplishments and Workload: Accomplishments and workload of the WCCP are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Investigative Matters:				
Pending beginning of year	21,292	22,300	22,700	23,800
Received	45,338	46,365	47,300	48,250
Resolved	44,330	45,996	46,200	46,400
Convictions	4,091	4,031	4,100	4,100
Pre-trial Diversions	401	369	390	400
Fines ($000)	$20,721	$25,217	$26,200	$26,200

Item	1985	1986	Estimates 1987	1988
Recoveries ($000)(1)	$551,977	$1,382,734(2)	$550,000	$550,000
Potential Economic Loss Prevented ($000,000)	$297	$385	$380	$380
Claims against the Government ($000)				
Filed	$221,202	$212,200	$225,000	$225,000
Settled	$19,754	$17,899	$20,000	$20,000
Claims by the Government ($000)				
Filed	$3,859	$5,453	$5,500	$5,500
Settled	$3,250	$3,515	$3,500	$3,500

(1) Includes recoveries and restitutions.
(2) Includes a $1 billion court ordered restitution in an undercover operation which investigated international money laundering.

During 1986, convictions and pretrial diversions included 896 for Governmental Fraud investigations; 232 for Public Corruption investigations; 3,199 for Financial Crimes investigations, of which 61 percent were for bank-related violations; and 36 in Labor Matters not related to organized crime resulted. Additionally, there were 10 convictions and pretrial diversions, $665,267 in fines imposed, $13,000 in recoveries, and $6.6 million in potential economic losses prevented in antitrust and civil matters investigations.

On July 24, 1986, Litton Systems, Incorporated, was sentenced in U.S. District Court, Philadelphia, Pennsylvania, following a plea of guilty to 320 counts of false claims and mail fraud. The combination of restitutions, fines and civil damages of $15,698,997 was paid back to the U.S. Government by Litton as a result of this investigation. The case involved mischarging material cost on approximately 45 contracts for military hardware sold to the U.S. Army, Navy, and Air Force.

Also on July 24, 1986, in the Central District of California, Los Angeles, California, 19 subjects were charged with mail fraud, tax evasion, receipt of kickbacks, conspiracy, and aiding and abetting in a kickback scheme between contractors and subcontractors. Both cases were conducted jointly with Department of Defense investigative agencies and are examples of the FBI's efforts to combat fraud and corruption in the Defense procurement process.

Provider fraud in the federally-funded health care area has also been identified as a major crime problem. Organized efforts in 12 cities by the FBI, U.S. Attorneys' Offices, and the Office of Inspector General, Department of Health and Human Services, have resulted in an increase in the number of investigations and prosecutions. An example of the dedication to this effort has been the results achieved by the Detroit Division of the FBI in Medicare/Medicaid "prescription mills" fraud investigations since initiating this project in 1981. To date, 46 health care providers and six corporations have been indicted and convicted.

Additional training has been provided by FBIHQ to Naval Investigative Service (NIS) personnel through their quarterly fraud training courses in Athens, Georgia, and the DOD Inspector General's week-long fraud courses have been made available to the FBI through DPFU.

1779

On March 31, 1986, Walter Louis Nixon, Jr., Chief United States District Court Judge, Southern District of Mississippi, was sentenced to five years imprisonment following his conviction for two counts of perjury. The perjury pertained to Judge Nixon's testimony before a Federal grand jury concerning allegations that Judge Nixon received bribes for his assistance in fixing criminal cases. Judge Nixon is currently free on bond pending appeal.

On February 3, 1986, William C. Brennan, Judge, Supreme Court, State of New York, 11th Judicial District, was sentenced to five years imprisonment following his conviction on bribery charges. An FBI investigation had determined that Brennan sold and agreed to sell his influence in criminal cases before him and other Queens, New York, Supreme Court judges in exchange for cash bribes.

On December 18, 1986, R. Budd Dwyer, State Treasurer of Pennsylvania, was convicted in Harrisburg, Pennsylvania, for awarding a state contract in exchange for a promise of $300,000 in kickbacks.

Seven former officers of ESM Government Securities, Incorporated, Fort Lauderdale, Florida, and the former managing partner of the Miami office of Alexander Grant and Co., Certified Public Accountants, were convicted of participation in a nationwide fraud scheme involving the purchase and repurchase of Government securities, which caused losses of over $300 million to financial institutions, municipalities, and creditors.

Over 80 individuals were convicted in Texas of a real estate loan fraud scheme, which caused the failures of two savings and loan associations, the near failure of a third, and is expected to result in payment of over $400 million in Federal deposit insurance funds.

Over 70 individuals, including physicians, pharmacists, drug sales representatives, and drug wholesalers were convicted following an undercover operation directed toward the illegal diversion of prescription pharmaceuticals through fraudulent orders, distribution of samples, and sale of adulterated, mislabled, and expired drugs.

A group of individuals from South Florida were convicted of participation in a series of planned bankruptcies or "bust outs" in nine major cities, which caused credit losses of over $10 million to manufacturers nationwide.

Two former bank presidents were convicted and sentenced to prison terms of 24 years and 20 years, respectively, as a result of FBI investigation of criminal activity associated with the failures of banks in the Permian Basin area of Texas. A former director of one of the banks was also convicted and sentenced to a prison term of 10 years.

Ronald Ray Rewald was convicted in Honolulu, Hawaii, of Federal violations after investors in the investment firm of Bishop, Baldwin, Rewald, Dillingham, and Wong were defrauded of $22 million.

Program Changes: An increase of 42 agent positions (21 workyears), six special support positions and workyears, 32 general support positions (13 workyears), and $2,003,000 is requested specifically for the White-Collar Crime Program in order to effectively investigate the increased number of DOD procurement frauds and major bank failure fraud and embezzlement matters.

1780

Agent, general, and special support personnel enhancements are required to address significant crime problems in the WCCP. Frauds against the Government affecting procurements by DOD and major bank frauds and embezzlements are increasingly becoming the subject of substantial FBI investigative efforts. Since the FBI is presently utilizing nearly 100 percent of its funded WCCP personnel resources on significant WCCP investigative matters, the increased number of DOD procurement fraud and bank fraud and embezzlement cases projected in 1988 can only be investigated on a timely basis if additional personnel resources are provided.

Frauds against the Government affecting the 13 Departments and 57 agencies of the Executive Branch are the top investigative priority of the FBI's WCCP. Of primary concern are DOD procurement frauds which involve kickbacks from subcontractors to prime contractors, improper charges for labor (charging other Government contracts for costs incurred on overrun contracts), defective pricing (falsifying or fraudulently withholding pertinent cost information during contract negotiations), product substitution, and false test certifications. From 1984 to 1986, DOD fraud investigations conducted by the FBI, the majority of which are procurement fraud, increased 39 percent, from 552 to 768. In 1986, 896 convictions and pretrial diversions were obtained as a result of FBI investigative efforts in governmental fraud cases. Over two dozen criminal convictions were obtained against major defense contractors throughout the country following joint investigations with DOD investigators and coordinated through the Defense Procurement Fraud Unit. As a result of initiatives by the Defense Procurement Fraud Unit to combat DOD procurement frauds, the Defense Contract Audit Agency, the primary source of referrals of labor mischarging and defective pricing cases, instituted a system to generate reports of suspected irregularities. These reports of suspected irregularities resulted in a substantial increase in cases since 1984, which now number in the hundreds in 1986. It is expected that there will be an increasing number of FBI investigative matters in this area through 1988. Without additional resources to address the increased number of DOD procurement fraud investigative matters in 1988, the FBI will have insufficient resources to fully develop several major governmental fraud cases, which in turn will prohibit the Government from recouping funds lost by fraud and/or from prosecuting the persons responsible.

The number and complexity of major bank fraud and embezzlement matters under investigation by the FBI have increased dramatically in recent years. From 1983 to 1986 the number of bank fraud and embezzlement matters with losses in excess of $100,000 increased from 1,513 to 2,948, or 95 percent. A significant number of these investigations involved bank failure fraud matters. It is anticipated that the number of major bank fraud and embezzlement cases will continue to escalate into 1988. Without additional resources, the FBI will only be able to pursue the investigation of bank failure cases at the expense of efforts devoted to other significant WCCP cases. In order to effectively address the projected workload of bank fraud and embezzlement matters in 1988, additional agent and support resources will be needed.

To complement agent investigative efforts within the WCCP, six additional accounting technician positions are required. Accounting technicians have proven to be an extremely valuable resource in major WCC investigations by performing tasks such as reviewing ledger sheets, transaction documents, and other accounting documents, which would otherwise have to be performed by agent personnel. By relieving investigative personnel of these routine tasks, agents are able to focus on and pursue more complex aspects of investigations. The six additional accounting technicians requested are necessary for the FBI to handle effectively and efficiently its projected workload associated with the investigation of bank failure frauds and military procurement frauds.

1781

Activity: Investigative Support

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount
Training	388	377	$23,176	378	367	$24,369	378	367	$26,869	...	...	$2,500
Forensic Services - Federal	336	325	19,520	336	325	21,257	336	325	21,257	...	...	...
Automatic Data Processing and Telecommunications	579	566	131,668	569	557	135,450	569	557	135,450	...	...	...
Legal Attaches	78	76	5,625	78	76	5,977	78	76	5,977	...	...	...
Records Management	1,266	1,225	40,117	1,232	1,191	43,815	1,232	1,191	43,815	...	...	...
Technical Field Support and Equipment	152	149	69,054	147	144	70,531	197	159	94,684	50	15	24,153
Total	2,799	2,718	289,160	2,740	2,660	301,399	2,790	2,675	328,052	50	15	26,653

Investigative support for FBI programs is provided through training, forensic laboratory examination and research, attaches in foreign countries, efficient management of investigative and administrative records, automatic data processing and telecommunications management and maintenance, and technical field support and equipment supply.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training	388	377	$23,176	378	367	$24,369	378	367	$26,869	...	....	$2,500

Long-Range Goals: To provide the introductory training and on-going professional development of FBI Special Agents and support personnel to insure that they are prepared to carry out their responsibilities in an efficient and effective manner and in compliance with the law and Government regulations.

To evaluate the methods, techniques, and equipment which may enhance the FBI's ability to perform its law enforcement mission.

To maintain and improve the land, buildings, equipment, furnishings, and fixtures which make up the FBI Academy complex in a manner consistent with and conducive to an effective, efficient, safe, and healthy learning and living environment.

Major Objectives:

Provide the highest level of training services for new agents to insure that their knowledge and skills are developed to enable them to discharge their complex responsibilities in a professional manner at the outset of their careers.

Afford advanced professional training and support at the FBI Academy and in the field for special agents and support personnel, enabling them to carry out their responsibilities in an efficient, professional, and effective manner.

Improve the ability of mid-level and upper-level FBI executives to more effectively carry out their increasingly complicated responsibilities, and provide for job enrichment and career development opportunities for support personnel through educational and training programs at the FBI Academy and in the field.

Conduct necessary research, evaluation, and development, and provide direct field support to accomplish the training objectives cited above.

To enhance FBI/DEA investigative operations by the collocation of FBI/DEA training at the FBI Academy.

Base Program Description: New Agents Training Program: After being accepted as a special agent trainee, the period of instruction at the FBI Academy encompasses, but is not limited to, the following major topics over a 13-week period: substantive statutory violations, national security matters, basic law enforcement and forensic skills, behavioral science, legal instruction, communications, field office administration, firearms, arrest techniques, physical fitness, professional conduct, and ethics. Newly acquired skills in these areas are applied in various practical problems and Moot Court situations.

1783

Advanced Professional Training and Direct Field Support Programs: Special agents are periodically brought back to the FBI Academy for instruction in specialized areas based upon the investigative needs and priorities of the FBI. Specialized training and direct field support are also provided by FBI Academy instructors and FBI Headquarters' personnel in field offices if this method is more cost-effective or responds to the particular need of a specific field office.

Research, Faculty Development, and Liaison: Currently, a limited number of FBI Academy faculty members and field instructors are pursuing graduate study in job-related areas at various colleges and universities when instructional and investigative duties permit. In addition, ongoing faculty exchange programs exist between FBI Academy personnel and the Australian, British, and Canadian Police Colleges. FBI Academy instructors attend symposia, seminars, schools, and participate in other relevant educational experiences when possible. The faculty also maintains liaison with selected foreign law enforcement agencies and several foreign and United States military counter-terrorist units for exchange of training information and equipment.

Maintenance and Improvement of Physical Plant: Employees assigned to eight maintenance and craft shops perform the required maintenance for 401 acres; 24 major buildings; 23 fully-equipped classrooms; 15 training, storage, and utility structures, and the six FBI firearms ranges, all of which make up the FBI Academy training complex.

Accomplishments and Workload: The FBI Academy has an optimum capacity of approximately 150,000 student training days (612 beds x 5 days x 49 weeks). During 1986, 154,592 student training days were used with 68,269 (44 percent) used for General Law Enforcement Training (GLET). FBI employee training during 1986 was at 62,520 student days, with an additional 23,803 student days dedicated to DEA training. During 1986, 5,307 FBI employees were trained in various schools, seminars, working conferences, and symposia at the FBI Academy. This figure includes 440 new agent personnel.

Technical assistance in the form of case analysis, personality assessment and construction of personality profiles were provided in 130 FBI investigative matters. Significant time and effort were spent on major FBI investigations such as UNABOM, CHOKEHOLD, CAPMUR, FREEWHEEL and Top Ten Fugitive Michael Wayne Jackson.

During 1986, 280 hours of psychological services, assistance, and consultation by the Behavioral Science Unit were furnished to FBI administrators and personnel. Forty hours of post-critical incident reaction training were furnished to 13 special agents who had been involved in shooting situations and other life-threatening events.

During 1986, 8,224 FBI Special Agents were each afforded 68 hours of training in the field. In addition, 818 FBI Headquarters-based supervisory personnel received eight hours of mandated legal training. As such, 565,776 total mandated training hours for FBI Special Agents in the field and at FBI Headquarters were accomplished in 1986.

Approximately 47,696 total training hours for 11,924 support employees in the field and at FBI Headquarters were accomplished in 1986.

A total of 939 DEA employees participated in FBI Academy training sessions.

1784

The Fitness Indicator Test (FIT) is continuing on a semiannual basis (spring and fall) with computerized feedback to all agent personnel. Additionally, pre-entry fitness testing began field-wide in 1986 to measure fitness levels of all special agent applicants to insure they are all at a minimum level of conditioning.

Program Changes: Enhancements are needed in 1988 for equipment funding necessitated by the opening of the FBI Academy's new dormitory in late 1988. The new 250-student dormitory represents additional capacity and training capability for the FBI; however, it cannot be furnished from base level funds.

It is imperative that $2.5 million for the purchase of furniture and equipment for the FBI Academy's new dormitory be approved in 1988 to coincide with the completion of this multimillion dollar facility. It will be necessary to completely furnish the new dormitory building including, but not limited to, 250 single occupancy bedrooms, three conference rooms, several break-out rooms, a classroom, student reception and special purpose areas, and a kitchen.

By way of background, the new dormitory building, with anticipated occupancy by the summer of 1988, is more than a 250-student dormitory. The lobby and reception area will be the point of entry for all incoming students to the FBI Academy, and by virtue of it being staffed 24 hours a day, the hub of activity during all nonbusiness hours. Its meeting rooms will accommodate three concurrent seminars, and provide food and beverage service on the premises. Special accommodations have been incorporated into the design, making it possible for students to participate in secure classroom lectures and study in their adjacent bedrooms without jeopardizing the integrity of the required class security.

Dormitory accommodations are provided for a total of 250 persons, 20 students per floor plus provisions for the counselor (generally a class would consist of 40 students and two counselors rooming on two floors). Also, for the first time, the Academy will be able to fully accommodate handicapped or disabled guests in a bedroom commensurate with their special needs.

At the very inception of the project, the FBI recognized that the services of a professional furnishing consultant would be required to assist the Government in the planning and selection of furnishings for this facility. The Government's instructions to the interior consultant were straight-forward and simple. The furniture must be functional, durable, aesthetically and ergonomically comfortable, but not be expensive or create an image of extravagance or waste. It was emphasized that all furnishings, where possible, must be available on the GSA Schedule. Since the design development phase of the project, the interior consultant has been an active participant in the design of the building. The consultant has, on a number of occasions, briefed the Training Division's Project Officer and Managers on the interior furnishings, including what was currently available on the GSA Schedule.

1785

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Forensic Services - Federal...	336	325	$19,520	336	325	$21,257	336	325	$21,257	...	...	...

Long-Range Goal: To support the Federal criminal justice system by insuring, through scientific means, that all physical evidence is fully utilized to develop as much probative information as possible to reconstruct the crime, identify the guilty, and exonerate the innocent and to provide scientific and technical support to ongoing FBI and DEA investigations.

Major Objectives:

To provide professional, expeditious handling of requests for scientific examination of physical evidence.

To assist in the prosecution of criminal matters by providing sound, objective, expert testimony in a full range of forensic disciplines.

To provide scientific and technical support to ongoing FBI and DEA investigations.

To conduct sufficient forensic science research to make the best use of physical evidence, stay abreast of new technology, and improve the ability to support ongoing investigations.

To provide forensic science training to Federal investigative and crime laboratory personnel to maximize the use of physical evidence in the solution and prosecution of crimes.

To provide specially designed investigative devices and apparatus for use in criminal and other investigations.

Base Program Description: Requests for examination of evidence come to the FBI Laboratory as a result of FBI and DEA field investigations and from other Federal agencies which do not have laboratories with the technical capability to perform a particular type of examination.

The cases received include specific requests made by the contributor to conduct a wide-range of forensic examinations on the physical evidence (specimens) obtained during the investigation of the crime. Requests are received in the Evidence Control Center, where pertinent information concerning the request is recorded in a computer. The request is then assigned a priority for examination and assigned to a principal examiner. The principal examiner is totally responsible for the case - determining what examinations must be done to obtain the greatest technical information from the specimen(s), maintaining the chain of custody of the evidence, obtaining auxiliary examiners, supervising and conducting examinations, reading and assembling the results of examinations conducted by other examiners, and writing the final laboratory report. The examiner might be called upon to render expert testimony concerning the results of the examination in subsequent court proceedings.

1786

On occasion, during the investigation of FBI matters such as terrorist bombings, arson matters, undercover operations, kidnapings, and other major cases, Laboratory personnel are required to provide on-site technical support or to conduct a crime scene search. Agent examiners are also requested to perform undercover work when persons having a technical background are needed during an investigation.

The Laboratory provides direct scientific and technical support to ongoing FBI and DEA investigations. Areas of this support include the Bomb Data Center; management of the Polygraph Program; management of the Photographic Equipment Program; direct photographic assistance in complex investigative situations; artist's conception drawings; direct crime scene support in major cases and unusual investigative situations; design and fabrication of special investigative equipment; and special support to undercover operations.

The FBI dedicated the Forensic Science Research and Training Center (FSRTC) at the FBI Academy, Quantico, Virginia, on June 16, 1981. Using the scientific input from the forensic science community, industry, and academia, as well as identified FBI needs, a significant forensic science research program has been established. Forensic research, conducted mainly at the FSRTC, includes: basic forensic research, the evaluation of current and new scientific methods and equipment, and the development of standards to be used in forensic science examinations and FBI field operations.

With the opening of the FSRTC, the Laboratory substantially increased its capacity to provide forensic science training to FBI personnel, other Federal, state, and local law enforcement officers, and crime laboratory personnel. The purpose of this training is to increase awareness of the probative value of physical evidence within the Federal law enforcement community, to enhance the professional level of crime laboratory personnel, and to decrease state and local law enforcement agencies' dependence on the FBI Laboratory.

Accomplishments and Workload: Actual and projected accomplishments for this decision unit are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
1. Laboratory Examinations				
a. Requests for Examinations	12,032	12,568	12,600	12,600
b. Specimens Submitted	105,876	82,033	90,000	90,000
c. Examinations Conducted	773,926	907,286	910,000	910,000
d. Days Spent in Testimony	820	1,014	1,000	1,000

Statistics above are captured through the Laboratory's Management Information System and indicate the actual and expected forensic examination workload. Much of the increase in the number of examinations conducted may be attributed to successful research and/or technological advances which permit more examinations per specimen.

Item	1985	1986	1987	1988
2. Related Laboratory Support Activity				
a. Forensic Science Training Hours Devoted to New Agent and				

In-Service Training	10,788	7,299	12,888*	12,888*
b. Forensic Science Research:				
Workdays Devoted to Research	3,500	4,025	4,025	4,025
3. Other Significant Activities in the Federal Area:				
a. Polygraph Control Reviews	11,489	12,324	13,524	14,824
b. Trial Aids Prepared	5,466	5,029	5,130	5,387
c. Investigative Aids Prepared	5,150	3,373	3,440	3,612
d. Photographic Prints Processed	1,338,431	1,226,536	1,349,189	1,484,108
e. Microfilm Processed (feet)	348,926	393,475	432,822	476,104
f. Days Spent in Direct Investigative Support	838	767	800	800
g. Pages Translated	11,032	12,083	12,500	12,500

*This increase is due to the projected schedule of FBI/DEA New Agents and In-Service Training in 1987. Continuations of the increased level for 1988 are based on the projected need for replacements.

During 1986, FBI Laboratory personnel spent 767 workdays in the field in direct support of Federal investigations and 1,014 workdays providing testimony in support of Federal prosecutions.

Polygraph examiners conducted in excess of 2,500 polygraph examinations in criminal, foreign counterintelligence, and other matters of interest to the FBI and provided investigative direction in more than 2,100 instances. Over 850 examinees whose polygraph examinations indicated they were being deceptive either confessed their guilt or made significant admissions concerning their participation in, or knowledge of, the matter under investigation. Property valued in excess of $279 million was involved in those cases where confessions were obtained.

The examination of records associated with illegal drug operations began in 1983; that year 11 cases were handled. This increased to 28 cases in 1984, 58 in 1985, and in 1986, 83 such cases were handled.

During the past year, FBI Laboratory support was provided in such highly publicized cases as the John Walker Jr. Case. Laboratory Examiners assisted with the search of Walker's home which produced a considerable quantity of records and tradecraft paraphernalia. This, together with evidence submitted from other field offices, resulted in more than 500 pieces of evidence being examined in the case. Thousands of photographs were produced regarding the specimens and dozens of 30" x 40" enlargements were produced for the various trials. Polygraph examinations of Walker's wife established her truthfulness in her allegations of Walker's espionage activity, and during a subsequent polygraph examination, Walker made a full confession of his activities. The results of his polygraph examination were admitted into evidence in the trial. The results of these and other examinations, such as handwriting, hand printing, and typewriting, were key factors in the trials of Arthur Walker, John Walker's brother and co-conspirator, and Jerry Whitworth. The prosecution was of the opinion that the results of the Laboratory work and testimony were critical to the successful conclusion of the case.

1788

In the espionage case involving former FBI employee Richard W. Miller, in Los Angeles, Laboratory personnel working with specialized self-contained photographic equipment, aerial photography, concealments, and concealed installations provided day and night surveillance of the subjects. These photographs assisted in the investigation and were used in the trial. Additionally, Laboratory examiners assisted in the search of the residence for espionage related evidence. During the polygraph examination, Miller made a full confession of his espionage activity. The results of all examinations were admitted into evidence in the trial.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Automatic Data Processing and Telecommunications....	579	566	$131,668	569	557	$135,450	569	557	$135,450	...	...	...

Long Range Goal: To support the FBI's information collection, storage, retrieval, and dissemination requirements through management of the Automatic Data Processing and Telecommunications (ADPT) resources and implementation of the long-range automation strategy.

Major Objectives:

During 1988, activities will be focused on implementation of an integrated, distributed data architecture, the infusion of artificial intelligence (AI) capabilities throughout the FBI's data processing environment, and the transition to software engineering methodologies through the Information Systems Engineering Center (ISEC), which will revolutionize the way application systems are developed at the FBI. Specific objectives directed toward accomplishing these goals, as well as supporting other ADPT Decision Unit activities, follow:

To implement ISEC to support the development and maintenance of quality information systems and to provide initial operational capabilities for the following ISEC components: User Engineering, Software Engineering, and Life Cycle Engineering.

To develop and implement Generic Case Management Software (GCMS) to support all investigative work functions and to integrate the common functions of the existing applications of Organized Crime Information System (OCIS), Investigative Support Information System (ISIS), and the Computer-Assisted Analytic Support System (CAASS).

To apply Artificial Intelligence (AI) technology to FBI information processing activities.

1789

To develop and implement an interactive version of the CAASS for FBI Headquarters to enhance its ability to manage investigative activities on a national level.

To maintain and enhance the integrated Terrorist Information System (TIS), which embeds knowledge based expert system capabilities to intelligent workstations in field locations.

To continue to maintain and enhance the OCIS, which distributes selected storage and processing functions to intelligent workstations in field locations and to convert OCIS to a new Data Base Management System (DBMS).

To implement the Labor Racketeering Expert System, which includes AI capabilities in conjunction with the OCIS.

To provide support to the highest priority investigations through the operation, maintenance, and enhancement of the ISIS.

To develop and implement an integrated Resource Management System (RMS), which provides on-line access, data query, and AI capabilities for personnel, financial, and statistical information in support of day-to-day management as well as executive decision making.

To complete the design, development, and implementation of an Automated Records Management System (ARMS) to integrate the data/functions among major ARMS subsystems and to support the development of a distributed index to be shared with the Field Office Information Management System (FOIMS) and other investigative systems.

To initiate the implementation of the second phase of Headquarters Office Automation, which includes adding photocomposition systems to already existing capabilities and interface to existing administrative and investigative systems.

To implement the third phase of the Decision Support System to provide FBI executives with analytic support and access to resource management and investigative information for long-range strategic planning and policymaking. A baseline AI capability will be established to support executive decision making. This capability will be enhanced to support crisis management requirements for major incidents, including counterterrorism matters.

To continue the development and implementation of a new integrated National Crime Information Center (NCIC) system to meet current and future information needs of the criminal justice community for the remainder of this century.

To support the the parallel operation and continued development of the Automated Identification Division System III (AIDS-III) and Interstate Identification Index (III) systems.

To enhance the integrated system to provide for the collection, analysis, and retrieval of homicide data in support of the National Center for the Analysis of Violent Crime (NCAVC).

1790

To complete the accelerated implementation of FOIMS and provide to the 59 field offices and all resident agencies baseline functional support, including automated indices, case management, and administrative reporting capabilities. Implement expanded FOIMS functions, which will include electronic distribution of investigative information, integrated with existing and planned systems in addition to knowledge based expert systems.

To implement the Universal File Number (UFN) system in the FBI's automated environment to provide a common reference point to consolidate case activities/information and to facilitate standardization of the index and migration to an integrated distributed environment.

To continue implementation of a secure, efficient, and cost-effective Intra-FBI Records Communications System (IRCS) to support all FBI data communications requirements.

Base Program Description: The ADPT Program provides centralized management of all resources related to the FBI's Long Range Automation Strategy (LRAS). Only the Fingerprint Identification Program, which has a special-purpose automation program outside the LRAS, manages its own ADPT resources. OMB Circular A-130 directs that ADPT resources be managed with the flexibility necessary to meet requirements while taking advantage of new technology and procurement opportunities which will result in improved productivity, efficiency, and cost savings. The FBI's LRAS, which calls for horizontal integration of the FBI's investigative and administrative functions across the field and vertical integration of management and decision-making functions throughout Headquarters up to the Director, has been stable since approved by the Director in 1981. Tactical plans are constantly reviewed and updated to meet the highest priority requirements, take advantage of technological improvements, deal with funding limitations, and realize productivity improvements and cost savings. The President's Private Sector Survey on Cost Control, which examined efficiency and effectiveness of government ADPT operations, cited the FBI as the exception in government for operating with an approved LRAS.

As noted, the FBI strategic direction for automation was first enunciated in 1981 and formally documented in a LRAS. This strategy called for a new integrated information architecture for the entire organization and supported the sharing of distributed data among users, performing of global queries and operations from any FBI location. It also prescribed judicious exploitation and application of advanced technologies such as: distributed processing and relational data bases; advance computation; artificial intelligence (AI), or more specifically, knowledge-based expert systems; telecommunications, and others in support of all major mission areas. Plans to build knowledge-based expert systems and embed them within major information systems (e.g., OCIS, TIS, etc.,) were included as a mainstream item this 1981 strategy. The factors influencing the LRAS included:

- The experience level of the agent workforce will be lowered by heavy retirement.

1791

- The fact that the scope and complexity of today's major investigations require automation support which transcends traditional data base functionality extending to investigative information systems requiring expert knowledge related to complex investigations.

- The realization that for existing systems such as OCIS, it was necessary to add and preserve the expertise and institutional knowledge possessed by leading practitioners and prosecutors.

- The awareness that these knowledge-based expert systems must be capable of drawing correct inferences when there are gaps in available information or where there is conflicting information.

All FBI investigative programs are dependent upon the services of this program. The FBI's investigative program managers have projected their personnel resource requirements and delineated their goals and objectives in anticipation of the support of this program's technical resources. If sufficient resources are not available, the FBI would be forced to respond to each new problem with a labor-intensive solution. Hence, the FBI would be unable to meet many of its investigative goals and objectives. The ADPT Program supports the other programs of the FBI through the following major information systems:

- Artificial Intelligence (AI) - The FBI considers AI as one of its most promising cost effective technical support initiatives, particularly in light of the enormous data requirements of the highest priority investigative activities. In 1984, the FBI began an initiative to apply AI to support several specific high-priority investigative needs consistant with the FBI's LRAS. The FBI has initiated efforts to apply AI in the form of knowledge-based expert systems to support investigations in the areas of labor-racketeering, narcotics, counterterrorism, and generic name searching. Significant progress in the development of a broad range of AI applications has been made during the 1985-1987 time frame, particularly in the successful fielding of AI applications to support labor-racketeering and narcotics investigations; however, because of limited resources, continued AI developments will be essentially restricted to minimal efforts which can be sustained by in-house personnel during 1988.

- Investigative Support Systems (ISS) - The information systems that directly support the investigative information collection, analysis, retrieval, and dissemination capabilities of the FBI constitute the ISS. These information systems, OCIS, ISIS, and CAASS, provide central data bases to facilitate case and program management at both the Headquarters and field office levels. These systems will be integrated to the maximum extent possible through the use of Generic Case Management. These systems also provide ad hoc ADP support to cases which involve voluminous and complex evidentiary information in an off-line mode.

- Resource Management System (RMS)- RMS provides FBI executives and managers with readily accessible and accurate resource information. This information supports and promotes sound managerial decisions regarding the effective and efficient use of investigative resources and long-range strategic planning and policymaking. It also is used to meet the external reporting requirements of the Department of Justice, Office of Management and Budget, General Services Administration, and the Congress. RMS developmental efforts are consistent with the direction and intent of Reform 88.

1792

- Field Office Information Management System (FOIMS) - This system will provide each field office with an integrated information processing system, incorporating word processing, data processing, and telecommunications technologies. The FBI's long-range automation plan will involve integration of FOIMS with RMS and the Automated Records Management System and, where appropriate, with the ISS. Additionally, efforts will be directed toward developing an optimum data architecture for use in a distributed environment. Initial efforts will focus on a distributed index.

- Autoated Records Management System (ARMS) - The "FBI Central Records System" at FBI Headquarters is composed of over 7,000 filing cabinets of hard-copy textual information, which is accessed through the FBI Headquarters General Index, containing approximately 60 million 3" x 5" manual index cards. ARMS consists of automating the general indices, file charge-out, locate, and mail serialization functions. ARMS will also be redesigned to integrate data/functions among major ARMS subsystems and to support the development of a distributed index with a Universal File Number to be shared with FOIMS in the distributed data architecture.

- Intra-FBI Records Communications System (IRCS) - The capability to transmit secure textual information rapidly between FBI Headquarters, field offices, and overseas posts is vital in fulfilling the mission of the FBI. With the rapid expansion of ISS systems and the advent of FOIMS, it has become necessary to lease point-to-point secure telecommunications services. The FBI will continue to develop and implement IRCS to support all FBI data communications requirements, including facsimile, teletype, access to FBI ADP systems, video, voice, image, text, teleconferencing, micrographics, and electronic mail.

- Telephone Systems - The FBI must have efficient and secure telephone facilities available to support its investigative mission. A major objective is to achieve secure voice capabilities for all field offices in order to support FBI counterintelligence activities.

- National Crime Information Center (NCIC) - The FBI's NCIC is the only national law enforcement teleprocessing system in existence which provides documented information on wanted and missing persons, stolen properties, and criminal histories. Contractual efforts to identify NCIC functional requirements through the year 2000 are underway and will be completed in 1987.

- Automated Identification Division System (AIDS) - The FBI is involved in a comprehensive project to automate its fingerprint card processing and related activities of the Identification Division. The resource requirements which are set forth in this program include general-purpose ADPT resources.

Accomplishments and Workload: Automation accomplishments, during 1986, were achieved in five principal areas: investigative support to the field in the form of major centralized systems (i.e., OCIS, ISIS and CAASS) augmented by stand-alone microprocessors; systems supporting primarily FBI Headquarters in administrative and criminal justice community missions; FOIMS; the initiation of formal programs to assure successful field/headquarters systems integration and systems auditability; and the initiation of efforts to imbed AI technology into the FBI's information systems. Additionally, the FBI's long-range plan was updated to reflect changes in required resources and strategies. This plan provides detailed direction for the budget formulation and acquisition process.

In 1986, OCIS was deployed to two additional locations for a total of 46 field locations serving 90 percent of the agents assigned to Organized Crime investigations.

ISIS was deployed to two new locations for a total of 39 field locations and FBI Headquarters. Twenty-six new data bases were implemented to support ongoing major case investigations. ISIS is now supporting 96 local data bases. On-site reviews were conducted in two field offices, which resulted in improved use of the ISIS system to support case requirements.

In 1986, assistance was provided to 18 field locations regarding 23 investigative matters in the form of field office special automated support.

The secure Computer Applications Communications Network (CACN) circuitry was expanded to support the accelerated implementation of FOIMS, the planned installation of existing investigative systems (ISIS, OCIS), and to allow migration to a single System Network Architecture.

Continued a contract with the Institute for Defense Analyses (IDA), a Federal contract research center, to support the development of "expert systems" to aid the FBI in the management of its labor racketeering, counterterrorism, and drug interdiction programs. IDA completed analytical support for implementing the Information Systems Engineering Center, the FBI's primary ADP research and development center, for future information systems initiatives.

Forty-five templates containing special logic rules for processing data to support labor racketeering and related statute violations were developed for the labor racketeering expert system. Graphic representations were developed that show the direct and indirect relationships between a person and a family organization, union, union fund, or a terrorist group. A matrix representation was developed to assist special agents in selecting subjects of organized crime and terrorist investigations for surveillance.

Modified and implemented NCIC software to improve article identification and the Canadian Warrant File. Completed software modification to the monthly stolen vehicle report to respond to legislative changes.

Completed synchronization of AIDS-II and AID-III data bases to insure compatibility for AIDS-III completion. Also continued to provide technical assistance in completion of AIDS-III.

Implemented the Legal Case Management System (LCMS) after successfully converting historical data from the earlier "LEGAL" data base.

An integrated computer workstation for the El Paso Intelligence Center (EPIC), with the capability to concurrently access three different computer systems and receive information on the movement of general aviation aircraft from two different sources was installed.

1794

Contracted with IDA to develop a redesigned personnel/payroll system to serve both the FBI and DEA.

Completed the conversion of active general indices records for a total of over 16,000,000 records or approximately 90% of the active general index.

Completed the installation of the Secure Automated Message Network (SAMNET) in all field offices, FBI Headquarters, two regional computer support centers, and EPIC for a total of 63 locations.

Achieved increased efficiency and effectiveness in the FBI Headquarters Computer Center:

- Processed 422,505 computer jobs, a 15 percent increase over 1985.
- Procured and installed 85 gigabytes of direct access storage devices, allowing the replacement of outmoded storage devices, expansion of data bases, and support for new project data base requirements.
- Procured and installed a 26 million instructions per second (MIP) processor, replacing a 4.3 MIP processor, and allowing improved throughput and productivity.
- Procured and installed six solid state paging subsystems, improving system performance and throughput.
- Enhanced user services through installation of 14 new proprietary software packages and upgrade of 41 existing software packages.

Implemented baseline FOIMS in 18 field divisions and 55 resident agencies and trained 2,600 employees from these locations. As of January 1987, 30 field divisions and 63 resident agencies are on-line to baseline FOIMS. Additionally, on-line baseline FOIMS capabilities were provided to the Criminal Investigative Division. FOIMS training was provided to ten new agent classes at the FBI Academy. Documented the FOIMS cost/benefits through a study performed by IDA.

Selected a site for the combined Mid-Atlantic/FBI Headquarters Regional Computer Support Center to be located in Northern Virginia.

Provided automated backup and recovery for the Western Regional Computer Support Center by the Northeast Regional Computer Support Center. Backup capabilities will be available during the first quarter of 1987.

Co-chaired an Office of Management and Budget interagency working group tasked with developing internal control guidelines for assessing the adequacy of controls over automated systems.

Developed and updated the FBI's microcomputer policy to provide standard guidance on management and control of microcomputers and related resources.

1795

It is noted the Legal Attache offices' primary function is of a service nature, to assist and facilitate the fulfillment of the overall responsibilities of the FBI. Their performance, particularly in regard to the areas of organized crime, white-collar crime, narcotics, terrorism, and foreign counterintelligence, can only be measured in terms of the quality and timeliness of information exchanged with foreign contacts, and its effects upon domestic investigations conducted by the FBI and other United States agencies to which this information is disseminated.

The following are examples of qualitative performance measures of this program, indicating the significant role played by the Legal Attaches in the FBI's overall program:

Legat Tokyo was instrumental in resolving a fraud investigation involving an attempt to negotiate 500 billion Japanese yen. The key witnesses were located and interviewed by FBI agents, and all subjects were subsequently indicted in Las Vegas, Nevada.

During August 9, 1986, Mexican Police from the State of Jalisco kidnapped and tortured a DEA agent stationed in Mexico. The subsequent investigation of the Mexican authorities involved, and liaison with Mexican officials was managed by the Legal Attaches in Mexico City. The investigation resulted in the identification and detection of 11 Jalisco State Police officers involved in the crime.

Legat Canberra provided pertinent, timely information concerning an espionage case successfully tried in the United States. Legat's efforts prepared the prosecution with information to adequately counter the testimony of a key defense witness.

Legat Bern in an effort to track over 8 million dollars in securities from U. S. mail has been instrumental in locating and recovering 2.5 million dollars in Switzerland.

Legat Paris along with police agencies from France, Belgium, the United Kingdom and the Netherlands seized a large cache of weapons and ammunition destined for the Irish National Liberation Army (INLA). The investigation discovered a link between the INLA and the French terrorists, Action Directe.

Efforts of the Montevideo Legat resulted in the location and arrest, by Brazilian authorities, of a Taiwanese organized crime gang.

Legat London was instrumental in coordinating British and U. S. investigations which resulted in the identification of the subject of an extortion case involving a prominent Arab citizen in England.

1796

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Records Management.....	1,266	1,225	$40,117	1,232	1,191	$43,815	1,232	1,191	$43,815	...	...	...

Long-Range Goal: To manage the life cycle of FBI information, insuring that information is available in the right place, at the right time, to the right people, and at the lowest possible cost.

To insure that unnecessary records are not created, that necessary records are maintained and used in an effective manner, and that those records that have served their purpose are given proper disposition.

To provide direct management control over the processing, operation, and maintenance of investigative, personnel, administrative, and general files.

To facilitate lawful public access to FBI records in response to Freedom of Information and Privacy Acts (FOI/PA) requests and to continue efforts to maintain and safeguard National Security Information (NSI).

To develop and implement an information architecture which focuses on Automated Data Processing/Telecommunications (ADP/T) and other state-of-the-art technologies.

Major Objectives:

Insure mail is routed, classified, searched, serialized, corrected, and recorded promptly and to provide mailing, courier, and messenger services in a more cost-effective manner.

Complete the conversion of the Federal Bureau of Investigation Headquarters (FBIHQ) active index and electronic surveillance (ELSUR) index to a machine-readable, on-line mode in order to facilitate searching capabilities in the Main Card Searching and Name Searching programs and to support the Field Office Information Management System (FOIMS).

Complete the phased implementation of single station processing of mail, which will result in an item of mail being classified, searched, serialized, and recorded in one station.

Manage a complex program for FBIHQ and the field to dispose of duplicate and nonessential record material, identify permanent records to be accessioned to the National Archives, microfilm historical records that require permanent retention, and prepare appropriate records for accession to the National Archives.

Maintain, repair, and store an extensive volume of hard copy files in an efficient manner.

1787

Provide file review, name searches, and locate services in response to name check requests received from Executive Branch agencies and FBIHQ divisions.

Articulate, justify, and defend the FBI's position for withholding NSI in FBI files by implementing quality control procedures to seek compliance with Executive Order (EO) 12356 and Department of Justice (DOJ) directives by filing affidavits/declarations in response to Freedom of Information Act (FOIA) civil matters in a U.S. District Court.

Classify and protect NSI and informants or declassify information in FBI documents which is sought through FOI/PA individual requests and court actions.

Respond to administrative FOI/PA appeals by reviewing classification decisions applied to FBI documents which contain NSI, with the DOJ Review Committee, and to insure that the NSI withheld meets the substantive and procedural requirements of the current Executive Order and DOJ implementing directives.

Insure individuals requesting security clearances meet eligibility requirements and criteria for continued Federal employment, and conduct training seminars for FBI personnel in the areas of safeguarding NSI and its vulnerability to compromise.

Reduce the backlog of unprocessed FOIPA requests and the amount of time required to complete each matter.

Complete an analysis of the need and utility for a more structured reporting format to consistently and completely obtain identifying data on subjects, suspects, and victims; to monitor existing and newly implemented automated systems to ensure performance at levels acceptable to the users.

Institute a quality assurance program to assess completeness, accuracy, and timeliness of automated data, and institute procedures to enhance integrity of the data.

Develop and adopt similar/identical data base management systems and indices management software (records creation, modification, deletion, and searching) for consistency between FBIHQ and the field offices.

Make access to information faster and easier, which in turn will produce higher rates of return. This capability will act as an intellectual enhancement to managers and investigators who become more effective (work smarter) because they have access to better, more timely data, and communications channels.

Base Program Description: The Records Management Program is multifaceted, consisting of several distinct functional units responsible for assuring that information is maintained and available as required. A long-range plan for information management within the framework of the FBI's information architecture is essential. In the development and execution of the long-range plan, tasks normally associated with the development of an information system, such as the identification of user requirements, feasibility study, system design review, etc., will be completed. Design reviews will be completed for any newly proposed system. Existing policy will also be reviewed and modifications for new policy as required will be formulated and presented for approval.

1798

New systems are implemented and consistently maintained and evaluated along with existing systems. A key factor in the evaluation process will be the extent to which the user's needs are being satisfied. The existence of a large and/or complex data base will require consistent review and evaluation to insure the hardware and software components of the system are meeting performance criteria, as in the case of software searching routines for a 26-million-record file where certain selectivity and reliability standards must be met.

A primary mission of this program is to insure the completeness, accuracy, and timeliness of data in the automated records. Procedural changes/enhancements will be recommended where necessary, to insure the integrity of the data. This program will also be responsible for the Word Processing Center serving the entire RMD. The management of this center will include prototype testing of new procedures and equipment, user liaison, product quality assurance, and performance measurement and monitoring.

Included among the responsibilities of this area are: the maintenance of the FBI Headquarters automated mail distribution systems and file retrieval equipment; mail management; the dispatching of all outgoing FBI Headquarters mail; the maintenance of FBI Headquarters files; the consolidation and correction of FBI Headquarters records; the general index; the processing of all FBI Headquarters correspondence; implementation of records-processing procedures for FBI Headquarters correspondence; duplication matters; records disposition; and archival matters.

Additionally, this program provides for automated name searches (some name searches that require a check outside the automated data base time period will be performed manually) and file reviews of information from FBI files for authorized agencies within the Federal government, as well as local agencies and certain foreign police and other agencies under the Name Check Program; the management and coordination of designated Department of Justice Security Programs; the protection of NSI and the issuance of security clearances; conducting classification reviews of documents proposed for release outside the FBI, for the purpose of safeguarding NSI; processing NSI classification appeals matters in coordination with the Department Review Committee (DRC); preparation of affidavits defending nondisclosure of NSI which is the object of litigation and or civil discovery; and a classification review of records to be accessioned to the National Archives; and responding to requests for access to FBI records as required by the Freedom of Information and Privacy Acts.

Accomplishments and Workload: Accomplishments of the Records Management and Freedom of Information/Privacy Act Programs are presented in the following table:

			Estimates	
Workload	1985	1986	1987	1988
Mail to be processed	3,000,000	2,487,732	2,900,000	2,900,000
Files requested	653,745	576,369	725,000	725,000
Name checks received	2,444,763	2,316,351	2,450,000	2,400,000
FOIPA new requests	11,344	12,983	12,629	12,629

1799

Accomplishments	1985	1986	Estimates 1987	Estimates 1988
Mail classified	1,751,319	1,611,310	1,800,500	1,825,000
Mail searched	476,052	579,584	490,000	490,500
Mail numbered	1,041,451	872,243	1,075,500	1,000,500
Mail recorded	1,242,943	1,270,251	1,275,200	1,290,000
Mail filed	1,300,529	1,555,723	1,600,000	1,600,000
Mail dispatched	6,244,935	3,700,700	6,000,000	6,000,000
Security clearance investigations	460	427	640	640
Personnel security investigations	2,280	2,260	4,850	4,850
Industrial security investigations	...	1,560	3,036	4,099
Name checks handled	2,218,075	2,429,250	2,450,000	2,400,000
FOIPA requests handled	11,129	11,213	11,682	11,682

OAIM staff have also participated in the training of field office personnel during the FOIMS implementation stages. Nearly half of the field offices were provided the base line capability of FOIMS during 1986. Initiatives have reduced the response time of inquiries of the HQGI from a range of 40 to 60 seconds to between three and five seconds per inquiry, which has greatly improved the automated name searching efficiency of the Operations Section. Several studies have been initiated, including the feasibility of a bar code labeling system, the feasibility of an audio response system for the charging out and control of investigative and administrative files, and the feasibility of a departmental computing system to provide distributed processing.

A statistical validation of the converted HQGI was also implemented by OAIM during 1985 and has resulted in the implementation of several quality assurance procedures to shore up internal control and retention of processed information. These procedures have already proved successful in the early detection of deficient internal control procedures in magnetic tape management. The validation process has begun certification of index groups by letters of the alphabet which has now progressed through the letter Q. An automated microfiche system as an interim emergency backup has been implemented until appropriate emergency backup can be provided via the planned redundancy capabilities of the FBI regional computer centers. An acceptable microfiche format has been made operational with appropriate internal hardware and software which creates quality microfiche on a production basis. Quality assurance procedures have also been implemented to address field office areas of concern relative to their newly automated indices. A study has been initiated of subject identification techniques with supporting information on linguistics and name searching.

Forty-three microcomputers and 21 printers have been placed throughout the RMD for use as standalone microcomputers and/or word processors. In 1987, an additional 39 terminals and seven printers are expected to be obtained and installed for access to Automated Records Management System (ARMS) data files.

Based on the permanent injunction against FBI records destruction being vacated, the Records Management Division instituted a phased program to implement a file destruction and accession program for FBI records.

As a result of efforts by the FBI Mail Manager, changes have been made to increase the efficiency of mail processing and to reduce mail costs. Savings of $399,674 were realized for 1986.

The Service and Support Unit received 2,316,351 name check requests, of which 517,206 were performed by electronic searching.

The Security Programs Unit developed and implemented new procedures for trustworthiness investigations of both applicants and on board employees.

During 1986, the FOI/PA Section received 12,983 new requests and processed 11,213 requests.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Technical Field Support and Equipment.....	152	149	$69,054	147	144	$70,531	197	159	$94,684	50	15	$24,153

Long-Range Goal: To provide essential technical support and equipment to FBI field offices and conduct necessary research and development to maintain a level of technology sufficient to overcome criminal and terrorist adversaries.

Major Objectives:

To develop a technical field support and equipment (TFSE) long-range strategy, including an overall strategic outlook and tactical acquisition and implementation plans for each of the various programs within this decision unit.

Provide centralized management of the FBI's integrated digital voice privacy (IDVP) radio systems and FM radio communications system.

To conduct research and development efforts regarding new technical capabilities applicable to the FBI's investigative missions.

To identify and integrate common FBI and Drug Enforcement Administration (DEA) engineering and technical training functions to realize increased efficiency and effectiveness.

To provide FBI requirements to the research and development programs at the Defense Advanced Research Products Agency (DARPA) in order to gain the benefits of DARPA's extensive research efforts and avoid duplication of efforts.

To provide technical expertise in the examination of electronic-related evidence, such as recordings and communications interception devices, and to provide expert court testimony relating to these examinations.

To replace field office inventories of audio collection and recording equipment, audio analysis equipment, physical surveillance equipment, physical security and countermeasures equipment, firearms and tactical equipment, photographic equipment, crime-scene examination equipment, furniture, general office equipment, and automotive maintenance equipment as it reaches the end of its useful life.

To provide field office personnel with sophisticated technical equipment and on-site technical support required to support the FBI's complex and demanding investigative activities.

To insure the physical security of FBI facilities and to satisfy the requests of the Department of Justice (DOJ) and other United States Government agencies for electronic audio countermeasures.

To increase recruitment efforts and provide training for Technically Trained Agents (TTAs) and electronic technicians in order to upgrade their skills and keep them current on new technology and techniques.

To provide and maintain safe, reliable, and effective passenger-carrying automobiles and special purpose vehicles by replacing vehicles in the most cost-effective manner.

To monitor construction of the Engineering Research Facility (ERF) at the FBI Academy, Quantico, Virginia.

Base Program Description: The primary mission of the FBI is the investigation of violations of certain Federal criminal laws and hostile foreign intelligence operations within the United States and its territories. During the past several years, the FBI has intensified its investigations of organized crime, white-collar crime, and other violations. In addition, the FBI has assumed an investigative relationship with the DEA. The TFSE Decision Unit provides technical investigative support to field offices and maintains centralized management of all field equipment to maximize its use and expedite the completion of complicated investigative matters. Frequently, investigative objectives can not be met without sophisticated technical support. All field investigative programs are dependent upon the technical support and services provided by this program.

The primary thrust of this decision unit is the development, design, engineering, procurement, distribution, and installation of technical support equipment required for the successful accomplishment of the FBI's investigative missions and availability of adequate personnel to install, maintain, and assist in the operation of that equipment. This support is provided by the following major TFSE programs and equipment categories:

1802

- Radio Engineering: This program provides management, equipment development and procurement, maintenance, and frequency management support to all 59 field offices and other FBI elements which utilize radio communications. The integration of FBI, DEA, and United States Marshals Service (USMS) radio communication is managed through this program.

- Countermeasures: The countermeasures program provides technical expertise and equipment for the protection of FBI and other selected Government facilities which do not have a countermeasures capability.

- Interception of Communications (IOC): This program performs various electronic examinations, including IOC related cases, telephone toll fraud, burglar alarm defeat systems, radio devices, and scanners.

- Research and Development: The research and development program is responsible for three broad functions: technology assessment and evaluation, general engineering support, and program management of research and development projects.

- Operational Support: This program focuses on the development, design, engineering, procurement, distribution, and installation of technical support equipment required to assist the field with both physical and electronic surveillance. To respond effectively to growing field requests for more sophisticated and specialized technical equipment, the program is broken down into eight management groups to better support the FBI's investigative mission. The eight groups are:

  - Closed Circuit Television (CCTV), which manages and maintains an inventory of equipment, with the widest range of characteristics, that is matched with the requirements of each installation for optimum investigative and evidentiary results;

  - Microphone/Drilling/Telephone, which has extensive responsibilities in the audio collection area and manages the FBI's inventory of telephone and microphone systems equipment. This group has developed and is continuing to enhance a multiple-line computerized dialed number recorder system;

  - Electro-Optical Physical Surveillance, which is an area of rapid technological growth and which handles an extensive range of equipment. This group is developing optical tracking systems and examining fiber optic transmission systems;

  - Specialized Technical Surveillance Vehicles, which have become essential investigative tools. Replica vehicles and sophisticated, well equipped surveillance vans are required for successful completion of the FBI's mission;

  - RF/Radio Surveillance Aids, which meet the needs of the field for miniature transmitters for criminal investigations;

  - Technically Trained Agent (TTA) Program, which is responsible for training new TTAs and providing specialized training for current TTAs;

  - Crisis Management, which provides sophisticated technical support to the FBI's response in counterterrorism and/or hostage situations, and other crisis situations; and

- Locks and Alarms, which provides the capability to bypass locks and alarms during investigations, and which provides maintenance and parts replacement of defensive locks and alarm systems to insure optimal performance and effectiveness.

- Signal Analysis: There are two major foci within this program, Audio Processing and Field Recording Equipment. The majority of the FBI investigations require continuous use of recording equipment to gather evidence. Clear and understandable recordings are the best evidence that can be used to substantiate the testimony of witnesses and show the willing participation in the crime. An intelligible recording protects both the rights of the public and the rights of the accused.

- Firearms and Tactical Equipment: This program activity allows for the purchase of new and replacement handguns, shotguns, rifles, scopes, and protective body armour. It also provides for special equipment for field office Special Weapons and Tactics (SWAT) teams.

- Photographic, Photographic Laboratory, and Crime-Scene Examinations Equipment: This activity insures field offices have necessary photographic and equipment used to collect evidence at crime scenes, conduct photographic surveillances, and develop film and print photographs in field office photographic laboratories.

- Furniture and Office Equipment: This program activity allows for the replacement of field office furniture and office equipment, such as desks, chairs, file cabinets, safes, and calculators, reaching the end of its useful life.

- Passenger Carrying Automobiles: The FBI maintains a fleet of 6,261 automobiles to meet the basic transportation requirements of the investigative work force. The FBI fleet is centrally managed at FBIHQ. There are 39 maintenance facilities, which are staffed by 70 automotive maintenance employees. Methodologies are employed to determine the selection of automobiles, number to be purchased, and distribution to field locations.

- Surveillance and Utility Vehicles: Vans, trucks, and utility vehicles are used for surveillance and investigative support activities.

Accomplishments and Workload: The following are representative of the accomplishments achieved in 1986:

Installation of digital voice privacy radio systems for the Los Angeles and New York City Offices has been completed. Installation of systems for Boston, Chicago, Miami, and Washington Field Offices is near completion, with final testing currently being conducted. The contracts for 28 field offices were modified to incorporate integrated systems designs and changes. Installations for San Francisco, Houston, Baltimore, Buffalo, Las Vegas, and Dallas are in progress. The installation for Indianapolis is on an accelerated installation schedule in anticipation of the World Indoor Track events and the Pan-Am Games. The integrated voice privacy radio system for the FBI Academy was procured to support administration, security, and the combined training needs for the FBI and DEA.

1804

A major test equipment procurement plan was initiated to provide the latest test equipment to the field and to enable maintenance of new integrated voice privacy radio equipment.

The design of a new facility at the FBI Academy, Quantico, Virginia, which will include the integration of DEA technical support and research and development was completed. Current plans call for the completion of this facility during the Spring of 1990.

On-site technical assistance was provided to the field offices and technical support to undercover operations. Each of the FBI's major undercover operations received some type of technical support, which included video, audio, and/or surveillance equipment. The use of such equipment is vital to obtaining critical evidence necessary to support prosecution of subjects.

Fulfilled the majority of the FBI's field requests for electronic tracking devices through effective inventory control and transfer of equipment between field offices.

Completely redesigned the telephone used in hostage situations in conjunction with the FBI's Hostage Negotiations Program Manager, Central Intelligence Agency Psychiatrist Assessor, Department of Energy Psychologist Assessor, and private industry engineers.

Purchased and installed the FBI's first independently operational satellite communications system which will allow direct-dialed telephone communication from remote areas worldwide to any FBI location.

Installated multiple-line computerized pen register systems in four field offices, bringing the number of systems in operation in the field to ten.

Developed a new body transmitter to replace obsolete systems currently used in the field.

Modified and converted 18 vans and other vehicles into specialized surveillance vehicles.

Continued to use expertise in forensic examinations of taped conversations and magnetic tape to support FBI and other Federal, state, and local law enforcement requirements. This expertise is considered to be among the best in the world.

Twenty-three TTAs received two weeks of instruction on technical subjects and countermeasures techniques. Approximately 500 countermeasures inspections were conducted and technical assistance was provided to the United States Capitol Police.

Provided 180 electronic technicians with training on digital voice privacy radio systems, alarms, and advanced secure data.

Procured 480 new sedans and 145 surveillance and utility vehicles.

Program Changes: Fifteen support workyears (50 Positions), and $24,153,000 are requested for 1988. These increases are essential for this program to support effectively the investigative activities of the FBI and the priorities of the President and Attorney General.

1805

Integrated Digital Voice Privacy

This request includes $11,153,000 to help achieve the integration of digital voice privacy (DVP) radio systems of the FBI, DEA, and USMS. This effort is consistent with the Administration's initiatives to improve efficiency, economy, and effectiveness.

In August 1985, the Attorney General directed that the FBI take the lead in the design, development, and implementation of a single, integrated, DVP radio system to support the tactical radio requirements of the FBI, DEA, and USMS. A single DVP architecture will insure compatibility of radio communications among the three agencies. This is particularly important when concurrent jurisdiction of the FBI and DEA in narcotics matters is considered. Since the FBI was assigned responsibility with DEA in the area of narcotics violations, the number of joint operations between the two agencies has grown significantly and continued growth of joint operations is expected in the future. An integrated DVP system will decrease operational problems currently experienced in time-sensitive investigations because of the requirement to manually exchange radios between agencies. This system will also benefit the USMS by providing secure radio communications during the transporting of Federal prisoners, maintaining of courtroom security, and protecting of witnesses.

In addition to improved operational effectiveness, an integrated DVP system will provide a uniform consistent approach to planning, development, acquisition, implementation, and maintenance for the system, which will improve the efficiency of all participating agencies. DEA and USMS will benefit from the FBI's extensive DVP system with its wide geographic coverage. Also, cost benefits will be realized by eliminating overlapping network backbone circuits and attendant costs.

The Institute for Defense Analyses (IDA) has been contracted to perform an independent assessment of the relative costs and benefits of integrating the three systems under the current FBI architecture. The primary focus of the study is on defining each agency's functional requirements. Based upon analyses conducted to date, it is expected that some modifications and extensions to the FBI system will be necessary to meet the requirements of an integrated system. Also, additional VHF channels will be required to integrate the three agencies' tactical communications programs. Current FBI plans call for the architecture and design to be completed in 1987, with the build-up of the integrated system to start in 1988. The full cost for the integrated DVP system will not be determined until bids are submitted in response to the RFP and a contract awarded.

For 1988, $10,000,000 is requested to integrate voice privacy systems in the Northeast United States. This funding is essential for performing system engineering, making backbone architectural modifications, and procuring necessary equipment. This area has been designated as a priority by the three partner agencies in this initiative. It is requested that this funding be maintained in FBI base-level resources until the nationwide project is completed in 1992.

Fifteen workyears (50 positions) and $703,000 for field electronics technicians are requested to support current DVP radio requirements as well as the integrated effort. The current level of FBI field electronics technicians cannot handle the additional support which will be required for DEA and USMS. The electronics technicians will install equipment, prepare sites, and perform systems maintenance. The requested electronics technicians will allow the FBI to support more effectively the DEA and USMS.

1806

Funding totaling $450,000 is required to purchase 30 utility-type vehicles for use by field electronics technicians. The integrated voice privacy system will be linked via a network of approximately 1,500 radio antenna/microwave repeater sites. Many of these sites will be in remote locations. Regular maintenance antenna and microwave of equipment is required to extend the service life of capital investments. Without additional electronics technicians and vehicles, maintenance of the system will be less than desired, resulting in faster depreciation of equipment. These additional vehicles will allow the FBI to work toward the desired 2:1 ratio of electronics technicians to vehicles. At the present time, there are not sufficient vehicles to support this ratio.

Engineering Research Facility

Requested funding also includes $13,000,000 for construction of an Engineering Research Facility (ERF) at the FBI Academy, Quantico, Virginia. The FBI's Engineering Section and the DEA's Office of Science and Technology provide technical support and equipment in response to investigative needs. The ERF will provide the FBI and DEA with space required for their technical support activities. Additionally, space will be provided for the continued development of the Integrated DVP radio system, which is essential for FBI/DEA joint operations. Current plans include the establishment of an in-house rapid prototyping/quick reaction capability at the ERF. A rapid prototyping/quick reaction capability refers to a system of specialized design, development, and assembly tools for the fabrication and development of custom electronic devices. The establishment of this capability will greatly improve the FBI's ability to counter the activities of both the criminal element and individuals who might be involved in illegal intelligence activities against the Unites States Government. The multifaceted needs of special agent and other personnel in FBI field offices require the development of custom electronic devices as well as improvements to existing devices. Custom devices are often needed to meet an immediate or specific target opportunity. An example would be the fabrication of a customized audio collection device which could be hidden in a specific personal item and then surreptitiously implanted in a target area.

The rapid prototyping/quick reaction capability of the new ERF will result in cost avoidances. Currently, the FBI contracts for these services. An in-house fabrication capability will reduce the labor and overhead costs associated with these contracts, which generally account for 45 percent of the contract cost. Time savings of 75 percent are expected from this capability. In addition, security and control of the development process of customized electronic devices will be enhanced by maintaining design and development plans within a controlled space at the ERF. Also, the FBI's institutional knowledge base will be broadened because the experience gained in producing these devices will be kept in-house. The plans to build a rapid prototyping/quick reaction capability at the ERF will yield a modern facility which is versatile and applicable to future technology engineering efforts.

The current cost estimate for the joint ERF is $36,511,000. Existing resources for the ERF include $9,000,000 in no-year funding that was approved in the 1985 budget cycle for the FBI's portion of the facility; $982,000 was added by OMB to fund DEA's share of the facility. This funding was nonrecurred in 1986. Since inception of this effort in 1983, ERF requirements have continued to evolve and grow. Analysis by the architectural and engineering firm of Moseley-Hening Associates has determined that the original cost estimate for the building will require an additional $26,529,000, of which $13,000,000 is being requested in 1988. In terms

1807

of personnel, the number of FBI personnel to be housed at the facility has grown from 208 to 246. It was originally estimated that a staff of 14 from DEA would be housed at the ERF; that number has now grown to 56. It is planned that the ERF can accommodate continued personnel growth for the next ten years. The increase in the number of personnel working at the ERF is one factor leading to the requirements for a larger facility. Initial space requirements formulated in February 1985, totaled 189,153 gross square feet; current space needs for the facility require 250,210 gross square feet. Other nonpersonnel and technical requirements resulting in changes to the ERF, beyond those initially funded, include enhancements to fabrication and shop facilities to permit a quick reaction fabrication capability; an antenna and acoustics test facility; a heating/air conditioning plant separate from the FBI Academy; expanded waste treatment facilities; additional hallways and common space to accommodate the net square footage requirements; improved site security; and additional food service space requirements. The enhancement also provides for access roads for construction equipment and construction change orders. Approving this enhancement will provide for completion of the ERF, and it will also establish a fixed price contract which will greatly contribute to controlling costs. It is requested that the $13,000,000 be recurred in 1989 to permit completion of the facility and that resources provided in 1988 remain available until expended.

DEA personnel will occupy approximately 36,300 gross square feet of space at the ERF. This estimate is based upon a space requirements survey performed by an architectural and engineering firm. The construction costs associated with collocating DEA with the FBI at the ERF are estimated at $4,300,000. The cost of collocating DEA is included in the overall $36,511,000 cost estimate for the ERF.

Activity: State and Local Assistance

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
General Law Enforcement Training...	283	275	$17,356	281	273	$19,314	281	273	$19,314	...	...	...
Forensic Services - Non-Federal ...	122	119	8,346	122	119	9,182	122	119	9,182	...	...	...
Fingerprint Identification.....	2,583	2,595	78,622	2,509	2,521	86,596	2,509	2,521	86,596	...	...	...
Criminal Justice Data and Statistics Services.....	205	200	8,546	194	189	9,189	194	189	9,189	...	...	...
Total.....	3,193	3,189	112,870	3,106	3,102	124,281	3,106	3,102	124,281	...	...	...

This activity supports state and local law enforcement by providing training and furnishing laboratory, identification, and informational services. The FBI National Academy, the National Crime Information Center (NCIC), and the Uniform Crime Reporting (UCR) programs are but a few of the services funded under this activity.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
General Law Enforcement Training	283	275	$17,356	281	273	$19,314	281	273	$19,314	...	...	...

Long-Range Goal: To improve the investigative, managerial, and technical capabilities of local, county, state, and international law enforcement personnel through training and education.

Major Objectives:

To continue to provide training to 800 state and local law enforcement officers annually in the FBI National Academy Program.

To identify training needs at the state and local level through a Nationwide Law Enforcement Training Needs Assessment Program.

To provide timely training programs on issues of critical concern to the law enforcement community both in the field and at the FBI Academy.

To train local police officers to become qualified instructors.

To conduct approximately 275 advanced schools annually by FBI Academy personnel in support of the Field Police Training Program (FPTP), and provide 60,000 hours of instruction for 190,000 law enforcement officers.

To continue to provide crime analysis, criminal personality profiles, and violent crime related information in order to assist local law enforcement in the resolution of major crimes of violence.

To continue instructional emphasis on violent crime matters using existing and developing systems.

To operate and promote the National Center for the Analysis of Violent Crime (NCAVC) to administer research, training, and investigative support programs designed to assist the law enforcement community in their understanding and investigation of unusual, bizarre, and vicious violent crimes.

To participate in one sectional and 35 FBI National Academy retraining sessions for the 47 Chapters of the FBI National Academy Associates.

To continue to offer appropriate short courses to, and participate in training with, select foreign law enforcement agencies both in the United States and abroad.

To continue to publish scholarly articles by Academy personnel on a wide variety of subjects of concern to the local law enforcement community.

To provide, on a limited basis, training in basic criminal investigative matters to foreign police in the Caribbean area and in the Pacific Islands Trust Territories.

To conduct the FBI National Law Institute (NLI) for the instruction of state, and local legal advisors.

Base Program Description: The General Law Enforcement Training (GLET) mission of the FBI is achieved by the interaction of diverse programs offered at the FBI Academy and provided through the FPTP. The FBI Academy offers a wide variety of training programs which are made available at no cost to selected criminal justice personnel. The courses range from highly technical one-week programs to the eleven-week National Academy Program. In a presentation taped for the FBI National Academy Associates retraining session July 17, 1985, at Tampa, Florida, commemorating the fiftieth anniversary of the National Academy, President Ronald Reagan included the following observations in discussing the accomplishments of the National Academy over the past 50 years: "The National Academy is an example of Federalism at its best, enhancing the ability of state and local authorities to do their jobs. Actually, one might look at it as paying back local and state law enforcement for their day-to-day assistance in helping Federal officers make arrests, gather information, and develop cases. It is cooperation which benefits everyone. This cooperation is crucial in confronting such problems as narcotics, white-collar crimes, and crimes assisted by high technology."

The FBI Academy staff conducts research, establishes program objectives, and develops courses of instruction to meet identified training needs. For example, the need for executive training led to the development of the National Executive Institute (NEI) in 1976, and the Law Enforcement Executive Development Seminar (LEEDS) in 1981. Both programs, in conjunction with the National Academy, help alleviate the critical lack of management training in law enforcement agencies.

In the FBI's FPTP, over 2,000 trained FBI instructors assigned to 59 FBI field offices and numerous resident agencies participate in local police training programs throughout the Nation. This training assistance at the basic level is extensive and is the backbone of FBI training assistance to local law enforcement. It is at this level of training that the rapport between local police and FBI Agents is developed, which then fosters cooperative efforts between agencies in the investigative criminal cases.

Accomplishments and Workload: During 1986, a total of 68,269 student training days were dedicated to the National Academy and other executive development training programs for local law enforcement managers.

Approximately 23,000 student training days were dedicated to specialized and technical programs which included 125 specialized schools, working conferences, or symposia attended by more than 3,307 criminal justice personnel.

Training and operational support programs continue to make a significant contribution in support of state and local efforts to combat and solve violent crimes. The NCAVC began operation in June 1985, and 1986 represents its first full year of operation. During 1986, NCAVC assisted local and state law enforcement agencies in analyzing and investigating cases where offenders were responsible for 197 homicides, 203 rapes, 77 sexual assaults, and 93 arsons.

1811

In addition to the specialized and technical training programs offered at the FBI Academy, 43,627 student training days in 1986 were attributed to training programs conducted at state and regional training facilities.

During 1986, the FBI's Field Police Training Program provided 61,582 hours of instruction at 5,467 schools attended by 194,082 local, county, and state criminal justice personnel.

An important benefit of the FBI's GLET Program, both at the FBI Academy and through our 59 field offices, is the cooperation it generates from local, county, and state law enforcement agencies.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Forensic Services - Non-Federal....	122	119	$8,346	122	119	$9,182	122	119	$9,182	...	...	....

Long-Range Goal: To support the non-Federal criminal justice system through a program which provides: specialized forensic science training to crime laboratory personnel; crime-scene training to law enforcement personnel; and cost-free examination of evidence and necessary court testimony for agencies which do not have access to crime laboratories, or in complex cases which are beyond the capability of the local laboratory.

Major Objectives:

To fully utilize the Forensic Science Research and Training Center (FSRTC) in order to train additional state and local crime laboratory personnel which will improve the ability of jurisdictional laboratories to keep pace with the rising forensic examination case load.

To share the results of successful forensic science research projects with state and local crime laboratories.

To facilitate and coordinate information dissemination among the Nation's crime laboratories.

To maintain leadership in the crime laboratory community by hosting the "Annual Symposium on Crime Laboratory Development" and other scientific symposia and through participation in various other scientific meetings and symposia.

1812

To provide professional and expeditious handling of requests for examination of physical evidence and sound, objective, expert testimony in cases submitted by state and local law enforcement agencies which meet the criteria for FBI Laboratory examination.

Base Program Description: The FSRTC uniquely combines forensic science research with forensic science training in a physical plant which has been designed and equipped to meet the rigorous requirements of these activities. Federal, state, and local crime laboratory and law enforcement personnel receive training in courses which have been carefully selected and developed after consultations throughout the law enforcement and crime laboratory communities. Many of the courses offered are not available anywhere else in the United States.

The research staff is augmented with visiting scientists from the academic community and other government agencies, and the training staff is augmented, as necessary, with experts from the FBI Laboratory. Training is normally conducted at the FSRTC; however, where proper training facilities exist Laboratory instructors conduct specialized forensic schools in the field. Results of successful research projects are shared with the crime laboratory community.

Under this program, forensic science examinations of evidence submitted in connection with criminal investigations and prosecutions with necessary expert court testimony may be performed, free of charge, for all duly constituted law enforcement agencies in the United States. All requests for examinations involving state and local matters are carefully screened. It is the policy of the FBI Laboratory to return requests from state and local laboratories when it can be determined that the contributing laboratory has the capability to perform the examination. State and local law enforcement agencies are encouraged to use jurisdictional laboratories when available. However, some law enforcement agencies still do not have access to jurisdictional laboratories and even when available such laboratories often do not have the sophisticated instrumentation and/or expertise to perform the necessary examination(s).

Accomplishments and Workload: Actual and estimated accomplishments concerning this decision unit are set forth in the following Workload and Performance Summary.

Item	1985	1986	Estimates 1987	Estimates 1988
1. Forensic Science Examinations				
a. Requests for Examinations Handled	6,288	6,155	6,200	6,200
b. Examinations Conducted	375,935	387,148	380,000	380,000
c. Days Spent in Testimony	1,171	1,252	1,200	1,200

Examination statistics are captured through the Laboratory's automated Management Information System. These statistics demonstrate that the forensic science training provided to state and local crime laboratory personnel is having the desired effect in stabilizing the FBI Laboratory's workload. The increases in examinations conducted are occasioned by successful research, primarily in Serology and Microscopic Analysis, which permits more examinations per specimen. Many state and local law enforcement agencies still do not have access to jurisdictional laboratories and, even when available, jurisdictional laboratories do not have the expertise and/or instrumentation to perform all indicated examinations.

1813

Item	1985	1986	Estimates 1987	1988
2. Forensic Science Training				
a. National Academy Training				
1. Courses Instructed	38	37	40	44
2. Work Hours Devoted	3,420	3,708	3,552	3,912
b. Specialized Forensic Schools				
1. Conferences, Seminars, and Schools Held	60	56	50*	50*
2. Work Hours Devoted	24,840	23,640	21,720	21,720
c. Road Schools				
1. Schools Held	24	12	5*	5*
2. Work Hours Devoted	3,840	3,360	1,680	1,680

*Decrease is due to substantial increase in FBI/DEA New Agent Training which is projected through 1989.

During the past year the FBI Laboratory hosted three symposia which were designed to aid and further professionalize the law enforcement and forensic science communities. These sessions included: An International Symposium on Driving Under the Influence of Alcohol and/or Drugs, March 24-26, 1986, 168 attendees representing 36 states and 4 foreign countries; an International Symposium on Forensic Immunology, June 23-26, 1986, 175 attendees representing 41 states and 7 foreign countries; and an International Symposium on the Forensic Applications of Digital Image Processing, June 16-20, 1986, 54 attendees representing 23 states and seven foreign countries.

The Fourteenth Annual Symposium on Crime Laboratory Development was held at the FBI Academy and was attended by 170 crime laboratory directors representing 130 individual crime laboratories.

During 1986 a total of 55 specialized forensic courses were taught in 32 specific areas of forensic science. The number of students attending these courses increased from 1,362 in 1985 to 1,526 in 1986. One new specialized course was added: The "Detection and Examination of Footwear Impression Evidence."

The FBI Laboratory publishes the "Crime Laboratory Digest" as a rapid means of communication through which the Nation's crime laboratories can exchange information or ideas. This booklet is published and distributed four times each year.

FBI Laboratory assistance was provided to state and local law enforcement agencies in such highly publicized cases as the one involving a series of homicides in which ten women were abducted, raped, and murdered over an eight-month period beginning in May 1984, in the Tampa/Hillsborough County, Florida area. Four of the homicides were linked by the FBI Laboratory through red carpet fibers, hairs, and similarities in the knots used to bind the victims. When a suspect was developed, red fibers seized during a search of his vehicle were microscopically matched with those from the homicides. When confronted with the evidence, the suspect admitted his participation and furnished a full statement. In June 1986, he was found guilty in state court and sentenced to death.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Fingerprint Identification.....	2,583	2,595	$78,622	2,509	2,521	$86,596	2,509	2,521	$86,596	...	...	...

Long-Range Goal: To provide accurate and timely fingerprint identification and related services to Federal, state, and local criminal justice agencies, as well as other governmental agencies and entities, as mandated by Federal statutes, regulations, and executive orders.

Major Objectives:

To provide for fingerprint identification and arrest-record services on a timely basis to all authorized users.

To provide for the posting of wanted and parole/probation notices in the FBI's files at the request of criminal justice agencies, and for timely notification to appropriate agencies when there is arrest activity against the posted records.

To provide latent fingerprint examination and testimony services to Federal, state, and local law enforcement agencies.

To provide fingerprint training to Federal, state, and local law enforcement personnel.

To provide, as a humanitarian service, assistance to Federal, state, and local governmental authorities in the identification of missing persons and unknown deceased persons, including on-site assistance at major disasters.

To automate the Fingerprint Identification Decision Unit work functions to achieve greater efficiency and personnel and operating cost savings.

To support the development of the Interstate Identification Index (III), which is the Federal-state cooperative effort to decentralize to the states the responsibility for storing and exchanging interstate criminal history records.

Base Program Description: The FBI's responsibility to provide a much needed national entity to centralize fingerprint record keeping and fingerprint identification was established by an Act of Congress in 1924. The Fingerprint Identification Program provides an invaluable service to the criminal justice community by performing two primary functions: (1) It serves as the Nation's fingerprint identification index; and (2) it compiles and disseminates criminal history records. It is authorized to receive both criminal and noncriminal fingerprint cards. The FBI compiles criminal history records of persons arrested for serious/significant offenses from fingerprint cards and disposition reports voluntarily submitted by criminal justice agencies. Copies of these records are disseminated in response to requests from criminal justice agencies, as well as other authorized Governmental agencies and entities. It also receives and retains on file noncriminal fingerprint cards of Federal employees,

military personnel, aliens, and persons desiring to have their fingerprints on file for identification purposes. There are presently over 178 million fingerprint cards maintained in the FBI's files, representing over 59 million persons. During 1986, the FBI received an average of 50,553 fingerprint cards, correspondence, and other types of mail per day. This represents an increase of 9,690 items per day above the 1985 average, which were submitted by the more than 23,000 authorized contributing agencies. In addition to the fingerprint processing services provided to the criminal justice community, the FBI: (a) performs examinations of physical evidence submitted by Federal, state, and local law enforcement agencies for latent "crime scene" fingerprints, and provides, if necessary, expert court testimony as to the results; (b) conducts training schools in fingerprint science for Federal, state, and local law enforcement personnel; (c) posts wanted and parole/probation notices in its criminal records in order to notify criminal justice agencies when there is new arrest activity against such records; and (d) assists Federal, state, and local governmental authorities in the identification of unknown deceased persons, including on-site assistance at major disasters.

In serving as the Nation's repository and clearinghouse for fingerprint and arrest records, the FBI must be effective and efficient. Timely responses are vital to the operation of the Nation's criminal justice system. Delays in processing criminal fingerprint cards can result in the release of fugitives before their true identities are determined, impede criminal investigations, and hamper prosecutorial, judicial, penal, and parole/probation actions. Also, delays in processing applicant fingerprint cards can result in monetary losses and hardships in the employment and licensing sectors. As a result of substantial work backlogs and delays in response time (from three days in the early 1970s to 27 days in 1981), the FBI was forced to suspend certain non-Federal applicant services in 1982. The services were restored in 1983 with the institution of the User-Fee Program. This Program charges a fee for processing fingerprint cards which is used to pay the full cost of providing the service. During 1986, a total of 1,125,742 fingerprint cards were processed, a 21 percent increase over 1985, resulting in cash receipts of $13,553,757. Increases in receipts are expected to continue as additional states fully join the Program and as additional state statutes requiring national fingerprint checks are put into effect.

The automation of the fingerprint identification operation was a result of attempting to solve the problems experienced in the 1970s. During this period, the workload increased at a rate that could not be matched by productivity increases in a manual operation. This resulted in lengthy response-output times and huge work backlogs. The obvious alternative was to look in the direction of techniques to automatically read and search fingerprint cards. A study conducted in 1971 determined the feasibility of incorporating such techniques, and the FBI began a three-phased implementation of automation.

The initial phase, known as the "Automated Identification Division System - Phase I," or "AIDS-I," involved the computerization of the criminal history records of first offenders. It was implemented in 1973 and over 10 million criminal history records have been automated to date. About 85 percent of all criminal history records are now disseminated from the automated file. At the same time automatic fingerprint reading equipment was used to computerize the fingerprints stored in the FBI's criminal master file. The initiation of computerized name searching was implemented with "AIDS-II" in 1979. In March 1986, automation of the name search file was completed, and currently over 18 million names are computerized. This enables the FBI to perform an automated name search on all incoming workload. Computerized fingerprint searching was implemented in 1979 on a pilot basis and has expanded to the point where about 95 percent of all incoming fingerprint cards requiring a fingerprint search are now searched through the automated fingerprint processing system.

1816

The third phase of automation, "AIDS-III," began in January 1985 and is expected to be completely operational by the end of 1987. This system will replace the two major automated systems and will reduce the FBI's processing time to one day. The FBI's present work-processing time of about 12 workdays is incompatible with the rapid on-line computer inquiry and response requirements of the National Crime Information Center's III. AIDS-III will allow the FBI to support the III concept of decentralizing arrest records.

Accomplishments and Workload: The accomplishments of the Fingerprint Identification Program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Fingerprint cards				
Criminal Justice and Federal Applcant				
Received	6,005,112	6,282,804	6,395,000	6,587,000
Processed	5,970,534	6,184,871	6,148,000	5,971,000
User Fee (Non-Federal Applicant)				
Received	931,007	1,170,786	1,212,000	1,306,000
Processed	928,817	1,125,742	1,201,000	1,294,000
Fees Received On	864,085	1,038,179*	1,133,000*	1,221,000*
Revenue Earned	$9,577,969	$13,553,757	$14,842,000	$15,995,000
Total Received	6,936,119	7,453,590	7,607,000	7,893,000
Total Processed	6,899,351	7,310,613	7,349,000	7,265,000
Correspondence (Name checks, etc.)				
Received	1,757,725	1,456,629	1,974,000	2,073,000
Processed	1,754,889	1,469,864	1,974,000	2,073,000
Expedite and Special Requests				
Received and Processed	120,784	213,539	141,000	153,000
Disposition Reports				
Received	2,942,943	3,163,257	3,740,000	4,178,000
Processed	2,703,774	3,022,686	3,740,000	4,178,000
Expungement and Purge				
Requests Processed	315,348	401,774	338,000	355,000
Nonserious Offense Fingerprint				
Cards Purged	130,238	103,387	33,000	18,000
Fugitives Identified Through				
Posting of Wanted Notices	17,342	19,199	18,500	19,000
Latent Fingerprint Cases Processed	18,244	15,451	19,500	20,000

1817

Item	1985	1986	Estimates 1987	1988
Suspects Identified by Latent Fingerprint Examinations	3,060	3,747	3,500	3,600
Fingerprint Schools Conducted	198	176	225	240
Interstate Identification Index Requests Received and Processed	496,815	714,906	625,000	650,000
Communications Mailed	8,941,822	9,463,036	9,703,000	10,105,000

*All user-fee receipts are not processed because of immediate rejections (failure to comply with established procedures and/or requirements) and returns due to illegible fingerprints.

Substantial progress has been made in the development of AIDS-III. Construction was started in January 1986, on the new major computer center for AIDS-III and in July the contractor moved the development effort into the J. Edgar Hoover FBI Building after installing the AIDS-III computers in the new computer center.

The conversion of the name search file was completed in March 1986, which now enables the FBI to perform an automated name search on all incoming receipts.

The FBI Disaster Squad assisted in the identification of victims of four aircraft disasters, a hijacking in Malta; a mining disaster in Castle Dale, Utah, and the Space Shuttle disaster at the Kennedy Space Center, Florida. There were 403 victims examined in these disasters and 168 were identified by fingerprints and/or footprints. This represents a 65 percent increase over the number of victim examinations conducted during 1985.

During 1986, Latent Fingerprint Specialists conducted 9,091,277 fingerprint comparisons, a 24 percent increase over 1985.

In June 1986, 13,020 name checks submitted by magnetic tape for security clearances of those individuals who were affiliated with the Statue of Liberty Rededication were processed.

The Fingerprint Identification Program will have 2,521 direct funded workyears in 1988, a reduction of 74 funded workyears from the 1987 level of 2,595. This change is attributable to agency-wide management productivity savings reductions in 1988.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Justice Data and Statistics Services.....	205	200	$8,546	194	189	$9,189	194	189	$9,189	...	...	...

Long Range Goal: To generate reliable statistics for use in law enforcement administration, operation, and management, and to improve the overall effectiveness of the criminal justice system through effective handling and exchange of documented criminal justice information.

Major Objectives:

National Crime Information Center (NCIC)

To provide an automated data-base system to meet the needs of criminal justice agencies on a continuous basis.

To provide a nationwide telecommunications system for the storage and dissemination of documented information concerning wanted and missing persons, stolen property, criminal histories, and laboratory comparison standards.

To coordinate meetings and facilitate informational input from the NCIC Advisory Policy Board and Regional Working Groups to insure continuation of a user-oriented management process.

To coordinate and successfully implement necessary system enhancements to meet the needs of user agencies.

To re-evaluate the information processing requirements of the criminal justice community through the year 2000.

Uniform Crime Reporting (UCR)

To implement an enhanced UCR Program on a national and state-by-state basis.

To provide training, technical consultation, and assistance to the UCR staff and state and local law enforcement officials in developing and maintaining accurate data and improving management strategies relating to compiling and publishing UCR crime statistics on a monthly, semiannual, and annual basis.

To comply with the Congressional mandate of the Anti-Arson Act of 1982, to compile and tabulate information regarding special reports of arson, and implement and monitor a special arson statistical program.

To collect, record, analyze, publish, and report detailed and comprehensive data as contained in the "Law Enforcement Officers Killed," "Assaults on Federal Officers," "Bomb Summary," and "Arson" programs.

Base Program Description: The NCIC program addresses the problem of the inability of the criminal justice community to function effectively without accurate and timely information. The NCIC provides an interstate teleprocessing system to exchange documented criminal justice information on wanted and missing persons, stolen property, criminal histories, and laboratory comparison standards. The FBI, with advice of the NCIC Advisory Policy Board and Regional Working Groups, manages the NCIC for the benefit of local, state, and Federal law enforcement agencies. The operation of the NCIC Advisory Policy Board is governed by the Federal Advisory Committee Act, 86 Statute 772.

The NCIC addresses the criminal justice community's need by providing nationwide availability of information to combat the highly mobile criminal. The availability of this information increases the opportunity to locate wanted persons at large, missing persons who might be a danger to themselves or others but who are not criminals and stolen property which otherwise might never be returned to the rightful owner. In addition, the timely availability of Computerized Criminal History (CCH) information to prosecutors, judges, and correctional officers protects the American public by permitting fully informed decisions in the following matters: law enforcement investigation, booking and criminal processing, presentence investigation concerning flat term and minimum sentencing laws, risk classification for custody and supervision, bond decisions, parole, and probation. The timely availability of information also enhances the ability of the FBI to accomplish its investigative mission. NCIC services must be available to approximately 57,000 user agencies with varying needs. These users are geographically dispersed and operate computer equipment with different capabilities manufactured by various companies. NCIC must meet the changing needs of users, the system must remain reliable and responsive, record data quality must be maintained, and sufficient training must be provided to users.

NCIC provides access to automated criminal history data entered into the Interstate Identification Index (III). During 1983 and 1984, an enhanced capability to obtain individual criminal histories was provided to the users of NCIC. This capability was made possible with an expanded test of the III. The NCIC, FBI Identification Division, and 19 state agencies interconnected their criminal recordkeeping systems to make available the records of more than ten million offenders. These 19 states have become active participants in entering and updating their state records in the file. Prior to the expansion of the III, only about two million records were maintained in the NCIC system. The number of available records will continue to increase by more than 15,000 per week as individuals are arrested for the first time. In addition to providing criminal records, the III features improved record quality and saved resources for both participating state agencies and the FBI by eliminating duplication of recordkeeping at the state and national levels.

The basic authority for the operation of the NCIC is contained in Title 28, United States Code 534, which authorizes the Attorney General to acquire, collect, classify, and preserve identification, crime, and other records, and exchange these records with and for the official use of authorized officials on the Federal, state, and local levels. The Attorney General has delegated his authority under this Statute to the Director of the FBI. Executive Order 10450 provides for the utilization of these services to meet security requirements for Federal employees. The FBI is authorized by 86 Statute 1115 to exchange identification records with officials of Federally chartered or insured banking institutions and, if authorized by state statue and approved by the Attorney General, to officials of state and local governments for the purposes of licensing and employment. Dissemination of NCIC records is subject to Title 28, Code of Federal Regulations, Part 20.

The authority for the FBI to administer the UCR Program is contained in U.S. Code, Chapter 33, Title 28, Section 5. Further legislation, the Anti-Arson Act of 1982 (Public Law 97-298), directed the FBI, in cooperation with the United States Fire Administration, to develop and prepare a special statistical report on arson. The UCR Program provides direct administration over the collection and processing of crime data received from contributing agencies to insure an accurate, comprehensive, and nationwide compilation of crime-related statistics for use by all levels of government in formulating productive programs to reduce lawlessness in American society. The UCR Program has been maintained by the FBI for more than 55 years due to the need for a national repository and training base for criminal statistics. Should the Federal Government excuse itself from this function, crime statistics from many states would cease to be collected and the capability to analyze nationwide crime data would end. No other Federal agency solicits arrest, clearance, or police employment data based on direct voluntary contributions from over 16,000 law enforcement agencies in the United States. The UCR Program is considered an important link between fire services and Federal, local, county, and state law enforcement.

Accomplishments and Workload: Workload statistics for the NCIC and UCR are presented in the following tables:

National Crime Information Center

	1985	1986	Estimates 1987	Estimates 1988
1. NCIC Transactions	164,048,934	183,949,095	195,000,000	205,000,000
2. Vehicles				
A. Stolen Vehicle Records Entered	1,059,736	1,160,385	1,200,000	1,250,000
B. Stolen Vehicle Records Cleared	835,643	950,828	1,000,000	1,100,000
C. Average Value of Vehicles ($)	4,418	4,619	5,000	5,100
D. Total Value of Vehicles ($)	2,215,122,464	2,378,401,159	3,000,000,000	3,366,000,000
3. Number of States Participating in Interstate Identification Index (III)	17	19	22	25
4. III Transactions	13,526,138	16,206,458	16,700,000	17,500,000
5. Training Sessions Conducted for NonFBI Personnel	36	42	42	42
6. Audit of Control Terminal Agencies	12	22	22	22

Uniform Crime Reporting Program

	1985	1986	Estimates 1987	Estimates 1988
1. Monthly UCR Statistical Reports Received and Processed				
A. Actual	1,480,416	1,580,420	1,630,416	...
B. Demand	1,480,416	1,580,420	1,630,416	1,630,416
2. Requests for Training, Speeches, Meetings, and Police Schools				
A. Actual	150	150	150	...
B. Demand	150	200	150	170

1821

	1985	1986	Estimates 1987	Estimates 1988
3. Correspondence				
A. Actual	55,000	55,150	55,150	...
B. Demand	55,000	55,150	55,150	55,150
4. Newsletters/Bulletins				
A. Actual	150,000	150,000	150,000	...
B. Demand	150,000	150,000	150,000	210,000
5. Publications Produced				
A. Actual	20	20	23	...
B. Demand	20	20	23	27
6. Update of UCR Handbook for Contributors				
A. Actual	50	...	50	...
B. Demand	50	...	50	70
7. Law Enforcement and Arson-Related Conferences, Meetings, and Regional UCR Conferences				
A. Actual	40	45	35	...
B. Demand	40	70	35	40
8. Publications Distributed Within Deadline to Nearly 16,000 Law Enforcement Agencies				
A. Actual	62,500	62,500	62,500	...
B. Demand	62,500	62,500	62,500	85,500
9. UCR Processing of Special Requests for Unpublished Data				
A. Actual	10,500	10,500	10,500	...
B. Demand	10,500	10,500	10,500	10,500

Work continued on the NCIC 2000 project, which will identify the functional requirements for the NCIC system through the year 2000. The functional requirements identified will provide the basis for the redesign of the NCIC system.

Plans continue for implementation of the new UCR Program. In conjunction with the implementation process, testing of the new system has been initiated in the South Carolina UCR Program. The 1985 edition of "Crime in the United States" was released on July 27, 1986, one of the earliest release dates for the publication since 1965.

The FBI completed the Crime Indicators System VI which quantified the relationship between serious crime and its causes. Crime resource documents, which addressed age-specific arrest rates and race-specific arrest rates were sent to all state UCR programs, state statistical analysis centers, and selected academicians. Two press releases were generated based on the FBI's crime-analytic efforts on drug arrests and on the prevalence of residential burglary. Statistical models were developed for cities with populations of 100,000 or more in order to formulate individual city jurisdictional profiles.

Activity: Program Direction

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount
Executive Direction and Control....	519	500	$24,451	512	492	$26,473	512	492	$26,473	...	...	...
Administrative Services.....	749	732	24,524	731	715	25,994	770	753	30,144	39	38	$4,150
Total.....	1,268	1,232	48,975	1,243	1,207	52,467	1,282	1,245	56,617	39	38	4,150

This activity includes the management, administrative support, legal, planning, evaluation, inspection, and financial functions of the FBI.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction and Control.....	519	500	$24,451	512	492	$26,473	512	492	$26,473	...	...	...

Long-Range Goal: To provide effective leadership, management, direction, and control for the Federal Bureau of Investigation.

Major Objectives:

To provide leadership for the FBI in support of the organization's long-range goal through the promotion of high morale and efficient commitment of personnel and nonpersonnel resources.

To provide: legal advice, training, and guidance to all FBI personnel in administrative, investigative, and personnel matters; conduct and administer all FBI legal training, prepare training monographs, and legal articles for publication; rule on petitions for remission or mitigation of civil administrative forfeiture; provide legal advice to the field offices and FBI Headquarters on legal problems associated with civil and criminal forfeiture; and to provide legal counsel and defense of civil litigation and administrative claims involving the FBI, its personnel (past and present), and FBI records.

Review and defend documents in discovery and produce documents in civil suits, exercising that care necessary to ensure that all privileges available to the Government are properly asserted.

To effectively advocate the FBI's position with respect to all legislative proposals with the Department of Justice (DOJ), Office of Management and Budget (OMB), and the Congress; to effectively represent the interest of the FBI with respect to responses to Congressional inquiries and oversight responsibilities; to competently advise the Director and other FBI officials on matters relating to the Congress; and to competently represent FBI interests with national legal organizations.

To obtain public cooperation and support in FBI investigative areas and to increase the public's awareness of FBI activities and accomplishments through news releases, feature articles, interviews, speeches, publications, radio and television appearances, and announcements, correspondence, and tours.

To conduct audits, inspections, and evaluations of FBI programs to ensure their economic value and effective compliance with objectives, applicable laws, and regulations; and to ensure that FBI personnel conduct the organization's activities in a proper and professional manner.

1824

Base Program Description: The Director, with the advice and counsel of the FBI's Executive Assistant Directors and members of the Executive Conference, sets policy and provides leadership and direction to the organization. The Executive Assistant Directors, with the assistance of their respective staffs, transmit policy statements, guidelines, and other managerial information to the Assistant Directors, who direct the daily operations of the Headquarters divisions.

The budget program provides: overall direction and control in all phases of budget and accounting functions; coordinates the automation effort for a comprehensive financial accounting system, conducts analytical studies for management; collects and reports data concerning investigative workload and statistical accomplishments of the 59 field offices; monitors undercover funds; and ensures that approved funds for undercover and other operational requirements are provided.

The objectives of the General Legal and Civil Litigation-Civil Discovery Programs are carried out by special agent attorneys, with assistance from paralegal specialists, who provide timely and accurate legal advice to FBI management and personnel, defend suits and resolve claims resulting from investigative and administrative actions in the field and FBI Headquarters. FBI personnel are kept informed of their legal responsibilities and changes in the law through instruction and timely dissemination regarding information of new matters and investigative operations both in the planning and execution stages. Close daily liaison is maintained with the Department of Justice regarding the defense of civil actions, resolution of administrative claims, disclosure of records under the Freedom of Information and Privacy Acts and the Right to Financial Privacy Act, and the representation of FBI concerns and legislative needs. Special agent attorneys also represent the agency in Equal Employment Opportunity (EEO) and Merit System Protection Board (MSPB) hearings.

The Congressional Affairs Office (CAO) seeks to effectively advocate FBI positions with respect to all legislative proposals before the Congress and to competently advise the Director and other FBI executives on matters relating to the Congress. This liaison relationship with the Congress serves as the focal point of all FBI contact with the Legislative Branch. In 1986, the CAO coordinated and assisted the Director and other FBI executives in 33 appearances as witnesses before the Congress. The CAO also coordinated the FBI's response to 84 requests for information from Congressional committees, and it monitored the progress of over 1,800 separate pieces of pending legislation. In addition to its legislative priorities, the CAO also represents the FBI's interest by maintaining liaison with nationally recognized professional legal organizations.

The Public Affairs program is responsible for providing the American public with a factual accounting of the FBI's programs, operations, and services on a continuing and timely basis and for sharpening the public's perception of FBI goals. Tours of the J. Edgar Hoover FBI Building, news media requests, correspondence with the public, and other related matters are coordinated by the Public Affairs Program. Public cooperation and support are essential to the FBI's effectiveness as an investigative and intelligence bureau. Without this cooperation and support, the FBI's success would be greatly reduced in the high-priority areas of Foreign Counterintelligence, White-Collar Crime, Terrorism, Organized Crime, and Narcotics Investigations.

Evaluation of FBI activities is carried out by the Program Evaluations and Audits and Inspections programs. These programs ensure that policies, procedures, and operations of the FBI meet present and anticipated requirements, and that they are efficiently, effectively, and economically performed. The Inspections Program further evaluates FBI performance through inspections (on a biennial basis) of field offices, Headquarters divisions, and legal attaches. The Director and executive management officials are

advised of inspection results as well as instructions and recommendations in reference to compliance, efficiency, effectiveness, and economy of the administrative, financial, and investigative operations of the organization.

Accomplishments and Workload: Accomplishments and workload of the Executive Direction and Control Program are presented in the following table:

Item	1985	1986	Estimates 1987	Estimates 1988
Testimony, constituent requests, and Congressional/investigative liaison..	4,412	5,248	4,498	4,498
Radio scripts, press summaries, major press releases, and statements.....	39,105	39,114	39,126	39,126
Law Enforcement Bulletin (LEB) (readership)[1].....	550,000	840,000	840,000	840,000
Speeches and remarks by the Director.....	49	51	51	51
Assistance to the media in major feature articles.....	283	196	196	196
FBI publications disseminated[2].....	965,690	550,638	550,638	550,638
Tourists.....	582,222	513,846	513,846	488,846
Title III applications.....	258	196	243	296
Undercover proposals.....	111	186	205	226
Priority service projects[3].....	3,074	2,295	3,500	3,675
Priority research projects.....	498	360	580	638
Total number of pages reviewed for Civil Discovery[4].....	847,883	1,009,302	1,100,000	1,100,000
Declarations of forfeiture.....	291	386	990	1,200
Petitions for remission or mitigation.....	116	105	350	450
Forfeiture consultations (field and Headquarters).....	487	657	900	1,200
Instructional hours taught.....	3,500	3,800	4,300	3,900
Students completing course.....	5,050	5,800	5,700	5,800
Inspections completed.....	30	41	33	44
EEO complaints completed.....	13	8	20	20
Administrative inquiries completed.....	12	10	10	10
Investigations closed.....	367	412	475	475
Intelligence Oversight Board (IOB) matters closed.....	6	2	15	15
Field office audits.....	36	35	36	36
FBIHQ funds/systems audits.....	8	9	18	20
Undercover operations audits.....	14	24	29	36

[1] Increase in LEB from 1985 to 1986 reflects extra copies printed of one issue requested by FBI Academy for training.
[2] Fewer publications requested for 1986.
[3] 1986 reversal is directly attributable to the high turnover level in personnel.
[4] Number of pages reviewed for Civil Discovery resulted in the increase of subpoenas for 1986.

1826

Item	1985	1986	Estimates 1987	Estimates 1988
GAO/DOJ liaison[5]	28	60	60	60
Electronic Data Processing (EDP) audits	2	2	4	6
Evaluations completed	4	3	5	5
Studies completed	6	11	5	5
Program budget submissions processed	113	136	136	136
FBI printed budget submissions submitted to external agencies	10	10	10	10
Briefing books prepared	42	44	44	44
Intra-FBI formal reports distributed	93	97	97	97
Resource reports submitted to external oversight agencies	38	54	54	54
Resource data information produced	2,788	3,239	2,895	3,977
Data base jobs completed	612	711	855	877
Confidential Funding:				
SF-1166 Preparations	1,997	2,197	2,417	2,659
Confirming Airtels/Memos	1,997	2,197	2,417	2,659
Confidential Funding Reports	124	132	132	132
Field Statistic Generated:				
Monthly Administrative computer reports	20	20	20	20
TURK reports (Time Utilization)	123	131	138	144
Accomplishment Reports	96	96	101	105
Cash Receipts:				
Schedules of Collections	470	705	870	1,025
Schedules of Canceled Checks	180	204	228	251
Debit Vouchers	48	72	96	120
Data Entry Transactions	45,120	56,400	64,424	74,448
FBIHQ Imprest Fund:				
Reimbursement Vouchers Requested	112	250	300	350

[5] Increased liaison matters occured between 1985 and 1986 due to GAO/DOJ request

During 1986, the Budget Staff prepared presubmission analyses and briefing books for all FBI programs; coordinated budget formulation and presentation with Drug Enforcement Administration (DEA) representatives, in addition to the preparation of FBI budget submissions and briefing of FBI executives on budget submission content; reviewed and analyzed the Justice Management Division (JMD), DOJ, budget request with a summary of recommendations to the Assistant Attorney General - Administration; prepared and distributed periodical field and Headquarters personnel comparison reports for internal use by FBI program managers; and handled appropriate confidential funding, imprest, and field statistics matters.

1827

In 1986, the Congressional Affairs Office continued to represent the FBI's interests before the Congress by successfully advocating or endorsing legislative revisions and reforms in areas such as the Freedom of Information Act and laws governing electronic interception, as well as obtaining access to certain records of foreign counterintelligence cases. In addition, the CAO provided critical analysis and advice during the formulation and subsequent passage of the Anti-Drug Abuse Act of 1986.

The Public Affairs program continued to advise the Director, FBI officials, field offices, and legal attaches of major activities and events concerning the FBI through various special news packages and summaries. Other continuing activities included the research and preparation of speeches for the Director and other FBI officials, and the coordination of major media interviews of FBI executives, focusing on the areas of Foreign Counterintelligence (FCI), Organized Crime, Terrorism, White-Collar Crime, and Narcotics Investigations. The program was responsible for the coordination of courtyard concerts; preparation of biographical sketches and press releases relating to executive appointments, and retirements; writing and editing radio scripts; publishing the Law Enforcement Bulletin; and preparing outgoing correspondence to members of Congress, other Government officials, FBI field offices, and to the general public.

The General Legal Program provided extensive research and guidance instrumental in establishing the FBI's Drug Deterrence Program and in drafting major amendments to Title III of the Omnibus Crime Control and Safe Street Act of 1968. In addition, reviews of 544 applications for court authorized electronic surveillance were conducted, responses to 360 legal research projects were produced, and legal assistance regarding 2,295 other matters was given.

The Civil Litigation Program successfully completed several major civil actions, including Church of the Scientology vs. Lindberg, Kenyatta vs. Moore, and Donovan vs. FBI. In addition the units resolved 358 other civil actions There was also active participation in the drafting and indemnification of employees found liable in civil actions as a result of their employment. Finally, the discovery units continued to handle the massive document production resulting from such civil actions as National Lawyer's Guild vs. Attorney General, including 1,009,302 pages of FBI files being reviewed for release.

During 1986, the Internal Inspections Programs completed inspections of eight legal attaches, five Headquarters divisions, and 28 field divisions. During this period, the program issued 1,832 instructions and recommendations. Of that total 548 were instructions relating to compliance deficiencies. The remaining 1,284 instructions and recommendations related to the effectiveness, efficiency, and economy of the administrative and/or investigative operations of the inspected entity. A total of 24 EEO complaint investigations were initiated, eight of which were completed during the period. Ten administrative inquiries were also handled during the period. In furtherance of the FBI's Career Development Program, the Office of Inspection (OI) trained 50 future executives. In 1986, the Office of Professional Responsibility (OPR) supervised 443 cases, of which 89 were personally investigated by OPR. In addition, 11 Intelligence Oversight Board (IOB) matters were handled by OPR. Liaison with OPR/DOJ is maintained and internal and external administrative guidelines are being adhered to with reference to IOB matters.

During 1986, the Program Evaluations and Audits Program initiated 11 studies and evaluations such as the "Use of Non-Agent Pilots", "Evidence Handling and Storage", and "Undercover Operations". Three program evaluations were initiated, including review of the Applicant Investigations Program and Civil Rights Program. The program conducted financial and compliance audits at 34 field offices. Six Congressional audit reports were issued during the year with 11 undercover operation audits near completion.

1828

The Audit Unit conducted two joint field office audits with DEA. The annual audits covered FBIHQ funds/systems such as Cash Management, Fourth Quarter Procurements, and FBI Official Reception and Representation Funds and reports were issued. An audit of the food concession contract with Canteen Corporation was also performed. The Electronic Data Process (EDP) Audit of the Organized Crime Information System was initiated, and virtually all of the field work was accomplished during the year. Also, 60 Government Accounting Office/DOJ liaison matters were handled during this period on a timely basis.

	1987 Appropriation Anticipated			1988 Base			1988 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative Services.....	749	732	$24,524	731	715	$25,994	770	753	$30,144	39	38	$4,150

Long-Range Goal: To provide a complete range of administrative services to maintain the FBI as a functional entity.

Major Objectives:

To meet all mandated requirements for pay administration, performance appraisal and merit pay, and position management for approximately 23,000 FBI employees.

To increase the FBI's ability to use automated personnel data for decision-making via the Resource Management System and the Personnel Information Center.

To recruit, process, and hire qualified minority and female special agent and support personnel.

To provide safety, health, and employee assistance programs.

To provide an effective equal employment opportunity program.

To effect permanent transfers or temporary assignments as necessary to meet the overall mission of the FBI.

To develop human resources planning, and in so doing, provide a coordinated recruitment approach to recruit experienced/qualified talent well in advance of needs; improve planning of assignments and analysis and control of personnel-related costs (e.g., turnover, relocation, training, recruitment).

1829

To ensure appropriate disciplinary recommendations that are timely, objective, fair, and legally sound are made with regard to FBI personnel.

To develop valid job-related selection criteria for entry and promotional level support personnel positions.

To provide effective procurement and supply support for all FBI activities.

To process all property seized for forfeiture purposes in an effective manner.

To provide service to our escorted visitors.

To process security background investigations for individuals requiring access to FBI facilities.

To ensure and provide maintenance, scheduling, and reporting on FBI Headquarters' automotive fleet vehicles.

To ensure accurate and timely preparation of the FBI's biweekly payroll, prompt distribution of payroll checks, statements of earnings, and savings bonds; accurate and expeditious processing of invoices and vouchers, providing of relocation assistance for transferred employees and their families; and the providing of research analysis and interpretation of existing travel regulations, new provisions in the regulations, and amendments thereto.

To prepare all required financial data reports related to budget execution in a timely manner.

Base Program Description: The Personnel Services Program is responsible for: the administration, coordination, and policy formulation of pay administration, retirement, leave, safety, disciplinary action, employee performance, recognition, and indoctrination, applicant recruitment, processing of employee transfer matters, and compiling and reporting personnel statistical data. This program is also responsible for the administration of the Performance Appraisal and Merit Pay Systems, coordination and implementation of the Equal Employment Opportunity and Affirmative Action Programs, and Employee Assistance Program to include the Mandatory Drug Deterrence Program.

The General Services Support Program has the responsibility for: the procurement of all FBI equipment, goods, services, and supplies; the management of FBI equipment, inventory, stock, and processing property seized for forfeiture purposes.

This program must also provide support service functions relating to printing, warehousing, security, safety, supplies, and space needs (related to the acquisition, alteration, renovation, and release of GSA controlled space) on a justified demand basis to FBI Headquarters and the field, and manage the responsibilities for operation, maintenance, alteration, and repair of the JEH Building as provided for in the Delegation of Authority from GSA to the Department of Justice (DOJ).

1830

The Systems Support Program prepares the FBI's payroll and distributes statements of earnings, salary and expense checks, leave accounting records, and savings bonds. All invoices and vouchers are audited and paid in accordance with existing rules, regulations, and directives. This program is responsible for relocation and travel matters involving FBI personnel and administering vouchers relative to the Field Support Account, Imprest Fund, and undercover operations; and research, analysis, and interpretation of existing travel regulations, new provisions in regulations, and amendments thereto, furnishing appropriate information and assistance to all FBI personnel in these matters.

The Financial Management Program provides overall direction and control in all phases of accounting functions, including all types of voucher payments and procurements; coordination of the automation effort for a comprehensive financial accounting system, and preparation of various analytical studies and financial reports for management.

Accomplishments and Workload: Accomplishments of the Administrative Services Program are presented in the following table:

Item	1985	1986	Estimates 1987	1988
Staff Actions	4,732	11,445	12,125	12,550
Word Processing Center Actions	9,566	15,479	17,200	18,500
Personnel Information Center Actions	4,139	20,995	21,180	21,369
Pay Actions	61,385	36,390	63,550	64,750
Position Classification Actions	2,147	2,924	3,025	3,130
Human Resource Planning and Development Actions	6,787	8,088	9,550	11,500
National Applicant Recruiter Long-Range Research Projects	1	6	12	27
Performance Ratings Matters Processed	50,354	52,927	55,727	58,040
Special Agent Transfer Actions	1,867	1,762	1,915	2,434
Administrative Actions Processed	1,208	1,348	1,363	1,446
Purchase Orders Issued	37,674	26,197	42,000	43,600
Forfeiture Notifications Issued	4,000	5,200	7,200	7,200
Property Accounting Transactions	82,548	109,873	91,300	86,000
Contracts Reviewed, Renewal Modifications	532	543	605	650
Forfeiture Recommendations Memoranda	...*	...*	936	1,284
Requests for Space Modifications from the Field and FBI Headquarters	1,046	1,040	1,050	1,050
Space Acquisitions, Releases, or Relocations of Field Offices and Resident Agencies	214	205	210	220
Escorted Visitors Processed	39,997	38,403	39,500	40,000
Printing and Reproduction Items Produced	55,599,316	59,981,319	60,000,000	60,500,000
Shipments and Receipts of Supplies, Evidence, Equipment, Labor Services, and Special Mailings	59,013	71,393	71,000	72,000
Full-field Security Background Investigations Completed	195	242	225	225
Invoices/Vouchers Processed	331,975	366,868	389,000	439,000

Item	1985	1986	Estimates 1987	1988
Special Inquiries/Surveys	3,000	3,025	3,050	3,075
Advance of Funds Requests	7,257	4,447	5,500	6,000
Payroll Actions Completed	700,923	734,521	762,777	734,521
ADD Work Cards Processed	111,587	112,991	117,315	112,991
Miscellaneous Actions	17,195	27,686	18,364	18,364
Distribution of Salary Checks & Bonds	410,674	363,471	360,000	363,471
Distribution of Statements of Earnings	546,306	525,720	546,306	525,720
Miscellaneous Distributions	58,300	71,500	58,300	71,500
Leave Accounting Listings	137,762	132,882	137,762	132,882
Relocation Services Provided	770	660	860	960
Relocation Invoices Audited	770	450	650	750
Household Goods (HHG) Shipment Requests Processed (Cost Transfers Only)	1,294	1,043	1,500	1,500
HHG Invoices Audited	1,535	1,422	1,850	1,850
Distribution of Non-Salary Checks	...*	4,212	12,636	13,405
Travel/Transportation Requests Processed	30,000	37,495	45,000	62,000
Tickets Issued	10,583	15,657	18,500	22,500
External Financial Reports Produced	104	104	104	104
Financial Plan/Funding Changes (Plan)	1,250	1,500	1,600	1,600
Detailed Analysis Projects for Management	10	15	30	30
Internal Management Reports Produced	120	160	160	160
Data Entry of Unit Transactions Processed	5,500	6,000	6,300	6,300
Requests for Financial Plan Clarifications Processed	390	450	450	450
Off-the-shelf Financial Systems Installed or Updated	3	5	3	5
Work Stations Maintained	120	140	160	300
Libraries, System Tables, and Security Files Maintained	6	12	15	15
Work, Data, and Job Flow and Reporting Analysis Performed	160	160	180	200
Procurements (Software/Hardware) Completed	4	6	6	8

* Activity was not performed in these years

During 1986, within the Personnel Services Program, 18,934 health and life insurance program forms were processed; 290 retirement applicants were processed, and more than 2,700 employees were administered clerical, mechanical, and language aptitude tests.

A Resource Management System Personnel Task Force continues to redesign the Personnel Information Network and a fieldwide survey was conducted to assess the field support personnel needs for 1986.

Research was conducted regarding recruiting techniques and resources and relevant data were provided to all Applicant Coordinators on a regular basis. Additionally, critically low applicant pools of linguists, engineers, computer specialists, minorities, and females have been enhanced.

The FBI processed 38,403 escorted visitors. An additional 6,098 temporary badges were issued to FBI employees. A total of 242 full-field background investigations were completed along with 722 limited inquiries and 1,610 name checks.

Security support was provided for special events in the auditorium, courtyard, Tour Route, and cafeteria areas.

Extensive detailed space specification packages were prepared for the major field office headquarters relocations of Alexandria, Washington Field Office, Miami, Knoxville, Mobile, Las Vegas, El Paso, Columbia, and Phoenix.

To further support FBI Headquarters' components, the FBI acquired over 18,000 square feet of warehouse space through the GSA and completed the relocation of warehousing and field supply operations from FBI Headquarters to warehouse facilities at Greenbelt, Maryland, and the Washington Navy Yard, thereby freeing up office space required for expansion at the JEH FBI Building.

During 1986, the Accounting Section installed and began implementing additional or upgraded financial management software functions, including purchasing, consumable inventory, fixed property, and accounts payable; and extended on-line access and update capabilities of the Financial Management System to additional accounting analysts, which included initial installation of a local area network to enhance the analytical and data transfer capability. In addition, existing formats for 1) reporting by program to support internal management and external oversight requirements and 2) internal control of document entry were developed or enhanced.

Program Changes: Increases of 38 workyears, 39 positions, and $4,150,000 are requested in 1988 for the Administrative Services Program. A major theme of the FBI's 1988 budget request is the necessity to achieve balance between a significantly augmented investigative capability over the past five years and an inhibited growth in Administrative Services to support the investigative functions. From 1983 through 1987, on a direct funding basis, the FBI has grown by 2,921 workyears, a 15.4 percent increase, while Administrative Services has grown by only 40 workyears, or 5.1 percent. While the increases in investigative personnel have enhanced the overall effectiveness of the FBI, additional personnel are needed to perform administrative functions to support the investigative personnel. Examples of the negative impact resulting from the significant growth in investigative programs and the restricted growth in Administrative Services include: a deterioration in the quality of pay and position management work affecting the quality of service obtained from employees; a projected shortfall in hiring adequate numbers of employees, especially those in "specialty/technical" areas that have become so crucial to daily operations; and delays in the initiation of forfeiture procedures causing the time for storage of items to increase, depreciation in the value of seized items, and forfeiture actions to be lost in court. Unless increases in personnel are obtained for the Administrative Services Program, the FBI will be unable to effectively deploy investigative personnel in response to ever changing mission requirements.

The number of employees requiring physicals, requesting training, and filing health benefits forms and claims will increase. All headquarters agent personnel will receive in-house annual physicals. Two nurses and one general support are required to assist

with these physicals. A preretirement planning process has been established to allow employees nearing retirement to go through a trouble-free transition to retirement. Three employee relations specialists are being requested to administer the preretirement planning and to assist with the processing of Government Employee Training Act (GETA) request forms and to administer the Psychological Services and Alcohol Program. Two instructors are requested to teach in-house stenographic, typing, and other courses in clerical skills. These training classes will allow the FBI to train the personnel already onboard and to promote from within.

The workload of the Performance Recognition and Awards Unit (PRAU) has dramatically increased from 1981 through 1986 and is expected to continue through 1988. Five personnel management specialists, two personnel assistants, and two general support are requested to address the increasing workload in performance appraisal matters. There is a projected 10 percent increase in the number of performance rating matters to be processed in 1988 above the 1986 number.

Since its inception in 1983, the FBI Personnel Resources Unit has planned strategy for the recruiting of agents and special and technical personnel. It has also identified a number of long-range research projects related to human resource forecasts. These objectives cannot be met with the existing base level of two agents. Four human resources analysts and one clerk-typist are being requested to conduct the long-range research project and assist in other recruiting responsibilities.

One agent is being requested to train field agents in the Targeted Selection Interview (TSI), which is used in the special agent selection process. Because a large number of agents will become eligible to retire, a high agent turnover is expected to occur over the next ten years. This will heavily tax the field offices to provide the interviews necessary to hire a large number of agents. Unless a system of continued training of interviewers is maintained along with a full quality control capability, there is a danger of severely hampering the agent selection system.

The newly established Personnel Information Center (PIC) generates personnel reports and graphics for all headquarters divisions and field offices. It also has an automated skills bank. The maintenance of this computer software and the influx of microcomputers into the Personnel Section have created a need for computer specialists. Four workyears are being requested to enhance the capabilities of the PIC and to maintain the current software.

In the Administrative Summary Unit (ASU) a trend has developed over recent years toward an increased complexity in administrative actions handled. This is best exemplified by the fact that ten special agents have been indicted/convicted over the past five years for various violations of state and federal law. This trend significantly adds to the investment of time per case by ASU personnel and thereby affects the overall output of the unit in terms of meeting established deadlines. The ASU has also received two additional responsibilities in recent years, namely, reviewing all unacceptable performance appraisals for final resolution and reviewing all shooting incidents. These added responsibilities are being handled without additional personnel, thus creating a higher than desirable turnaround time on administrative actions. One agent and one general support are being requested so that the turnaround time for all actions can be reduced to less than 30 calendar days.

Two traffic management specialists are being requested for relocation services. The Relocation Unit administers contracts with third party relocation service companies in regard to authorizing the purchase of a transferred employee's home by one of these companies. Relocation services provided to FBI employees are projected to increase by 45 percent in 1988 over the 1986 figure.

Five support workyears are being requested for position classification matters. As other field programs continue to grow, there is a direct increase in the number of position classification actions required. For 1988, the Pay and Position Management Unit (PPMU) is projecting a demand of 3,130 position classification actions compared to 2,924 actions completed in 1986. Due to this anticipated increase in workload, coupled with the normal turnover of classifiers, it is imperative that the base level be increased to permit the unit to develop an adequate cadre of classifiers to meet the needs of the position classification system.

The integrated digital voice privacy radio project will require an additional supervisory special agent for contract negotiations and awards. The Contract Review Unit is expecting to award 30 more contracts in 1988 than in 1986, a 16 percent increase. The integrated DVP project is a major FBI undertaking that will be in the contract award stage in 1988, necessitating continued involvement by the unit and contributing to its increased workload. The addition of a supervisory special agent will allow the Contract Review Unit to effectively and responsibly address its projected workload increase in 1988 and subsequent years.

The Forfeiture and Seized Property Program is responsible for the management of the FBI's forfeiture and abandonment programs, which encompass the areas of civil and criminal seizure of property as well as the disposition of forfeiture property. These responsibilities also include the administration of the FBI's "sharing" program for the transfer of Federal forfeiture activities, the payment of awards, the purchase of drug evidence, and the retrofitting of vehicles placed into official use. The forfeiture program is requesting an agent at headquarters to address the forfeiture-related areas of narcotics investigations. Since 1984, this unit has had a 232 percent increase in forfeiture matters.

Increased nonpersonnel resource needs for Administrative Services include providing security in the form of antiterrorist vehicle ramp barriers ($150,000); providing for employee-related performance awards, external training, recruitment funds, publication costs, and consulting services for the in-house physical examination and psychological services programs ($1,553,000); acquiring additional parking space and repair facilities for the FBI's automotive fleet, including surveillance vehicles ($638,000); and acquiring additional basic maintenance and computer supplies ($485,000).

1835

Federal Bureau of Investigation

Salaries and expenses

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Criminal, Security, and Other Investigations							
	Other Field Programs		Organized Crime		OCDE		White-Collar Crime	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades								
GS/GM-14	8	$403	---	---	---	---	---	---
GS/GM-13	---	---	---	---	---	---	---	---
GS-12	---	---	---	---	---	---	---	---
GS-11	---	---	---	---	---	---	---	---
GS-10	81	2,217	106	$2,545	12	$451	42	$1,008
GS-9	135	2,944	85	1,853	---	---	---	---
GS-7	---	---	---	---	---	---	6	107
GS-5	68	979	54	777	---	---	32	460
Total positions and annual rates	292	6,543	245	5,175	12	451	80	1,575
Lapse (-)	-66	-1,057	-82	-918	---	---	-40	-777
Total workyears and personnel compensation	226	5,486	163	4,257	12	451	40	798
Other personnel compensation	---	360	---	318	---	72	---	126
Personnel benefits	---	1,225	---	810	---	114	---	231
Travel and transportation of persons	---	1,289	---	1,011	---	65	---	126
Transportation of things	---	346	---	101	---	23	---	64
GSA Rent	---	472	---	345	---	25	---	86
Communications, utilities, and miscellaneous charges	---	---	---	---	---	---	---	---
Printing and reproduction	---	15	---	6	---	1	---	3
Other services	---	3,673	---	1,922	---	991	---	154
Supplies and materials	---	435	---	422	---	43	---	97
Equipment	---	14,124	---	4,396	---	171	---	318
Land and structures	---	---	---	---	---	---	---	---
Total workyears and obligations, 1988	226	$27,425	163	$13,588	12	$1,956	40	$2,003

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Investigative Support: Training Pos.	Training Amount	TFS&E Pos.	TFS&E Amount	Program Direction: Administrative Services Pos.	Administrative Services Amount	Total Pos.	Total Amount
Grades								
GS/GM-14	---	---	---	---	4	$202	12	$605
GS/GM-13	---	---	---	---	---	---	---	---
GS-12	---	---	---	---	---	---	---	---
GS-11	---	---	---	---	12	317	12	317
GS-10	---	---	---	---	---	---	241	6,221
GS-9	---	---	---	---	6	131	226	4,928
GS-7	---	---	50	$891	11	196	67	1,194
GS-5	---	---	---	---	6	86	160	2,302
Total positions and annual rates	---	---	50	891	39	932	718	15,567
Lapse (-)	---	---	-35	-624	-1	-20	-224	-3,396
Total workyears and personnel compensation	---	---	15	267	38	912	494	12,171
Other personnel compensation	---	---	---	---	---	1,124	---	2,000
Personnel benefits	---	---	---	80	---	143	---	2,603
Travel and transportation of persons	---	---	---	30	---	24	---	2,545
Transportation of things	---	---	---	61	---	8	---	603
GSA Rent	---	---	---	33	---	70	---	1,031
Communications, utilities, and miscellaneous charges	---	---	---	---	---	638	---	638
Printing and reproduction	---	---	---	1	---	12	---	38
Other services	---	---	---	48	---	451	---	7,239
Supplies and materials	---	---	---	28	---	535	---	1,560
Equipment	---	2,500	---	10,605	---	83	--	32,197
Land and structures	---	---	---	13,000	---	150	---	13,150
Total workyears and obligations, 1988	---	$2,500	15	$24,153	38	$4,150	494	$75,775

Federal Bureau of Investigation

Salaries and expenses

Priority Rankings

Base Program	
Program	Ranking
Executive Direction and Control	1
Administrative Services	2
Other Field Programs	3
Organized Crime	4
Organized Crime Drug Enforcement	5
White-Collar Crime	6
Records Management	7
Forensic Services - Federal	8
Fingerprint Identification	9
Technical Field Support and Equipment	10
Training	11
Automated Data Processing & Telecommunications	12
Legal Attaches	13
Forensic Services - Non-Federal	14
General Law Enforcement Training	15
Criminal Justice Data and Statistics Services	16

Program Increase	
Program	Ranking
Administrative Services	1
Other Field Programs	2
Technical Field Support and Equipment	3
Training	4
Organized Crime	5
Organized Crime Drug Enforcement	6
White-Collar Crime	7

1838

Federal Bureau of Investigation

Salaries and Expenses

Detail of Permanent Positions by Category

Fiscal Years 1986 - 1988

Category	1986 Authorized	1987 Authorized	1988 Adjustments to Base	1988 Program Increases	1988 Total
Criminal Investigation	9,356	9,554	...	253	9,807
Fingerprint Identification	787	787	...	...	787
General Admin. Clerical and Offices Services	8,580	9,135	...	160	9,295
Other	2,969	2,980	(200)	305	3,085
Total	21,692	22,456	(200)	718	22,974
Washington	7,688	7,697	(169)	214	7,742
U.S. Field	13,939	14,694	(31)	504	15,167
Foreign Field	65	65	...	...	65
Total	21,692	22,456	(200)	718	22,974

1839

Federal Bureau of Investigation
Salaries and expenses
Summary of Adjustments to Base
(Dollars in thousands)

	Permanent Positions	Work-Years	Amount
DOJ Appropriation Act, 1987			
Omnibus Drug Supplemental Approp. Act of 1987	22,456	21,831	$1,262,000
Supplemental Items (SI):			
1987 Pay and Retirement Supplementals	...	...	32,314
1987 Program Supplemental	...	...	9,675
1987 appropriation anticipated	22,456	21,831	$1,303,989
Adjustments to base:			
Savings resulting from management initiatives	-200	-200	-2,000
Uncontrollable Increases:			
One additional compensable day	...	...	2,923
Annualization of 142 additional positions approved in 1987	...	142	3,558
Annualization of FERS	...	...	58,029
Annualization of 1987 pay increase	...	...	18,692
Within-Grade Increases	...	...	6,425
Medicare Costs	...	...	234
Locality based per diem	...	...	3,000
Federal Employees' Compensation Act (FECA - Workers Compensation)	...	...	959
GSA Rent	...	...	14,472
GSA recurring reimbursable services	...	...	351
FTS	...	...	185
Telephone Service	...	...	1,000
GPO printing costs	...	...	44
General pricing level adjustment	...	...	11,676
Total, uncontrollable increase	...	142	121,548
Decreases:			
Nonrecurring costs - reappropriation	...	...	-5,686
Reduction for change in hourly rate	...	...	-1,697
Reduction in health benefits	...	...	-1,508
Nonrecurring costs - artificial intelligence	...	...	-6,000
Total, decreases	...	...	-14,891
1988 base	22,256	21,773	1,408,646

Federal Bureau of Investigation

Salaries and expenses

Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Workyears	Amount
Savings resulting from Management and Productivity Initiatives.....	-200	-200	-$2,000
Uncontrollable Increases:			
1. One additional compensable day.....	...	...	2,923

The annual salary rate for Federal employees is based on 260 paid days. FY 1988 has one more compensable day (262) than 1987 (261). (Permanent personnel compensation of $659,121,000 divided by 260 = $2,535,000 plus $388,000 for benefits)

2. Annualization of additional positions approved in 1987.....			...	142	3,558

This provides for the annualization of 142 additional positions approved in 1987.....

	Approved 1987 Increases	Annualization Required
Annual salary rate of 774 approved positions.....	$19,417,000	
Less lapse (18 percent).....	- 3,495,000	$3,495,000
Net Compensation.....	15,922,000	
Associated employee benefits.....	2,888,000	63,000
Total Costs subject to annualization.....	18,810,000	3,558,000

3. Annualization of Federal Employees' Retirement System Costs.....	...	...	58,029

This request provides for the additional costs in 1988 necessary to continue implementation of the Federal Employees' Retirement System Act of 1986, P.L. 99-335. This act established a retirement program for Federal civilian employees and postal workers hired after December 31, 1983, who are covered by social security, and for employees under the Civil Service Retirement System who choose to transfer into the new system. The calculations were

	Perm. Pos.	Workyears	Amount
determined from an OMB approved formula. The Office of Management and Budget had allowed $23,005,000 for 1987. The total amount requested for 1988 was $80,415,000. Thus, total annualization required for 1988 is $57,410,000.			
4. Annualization of 1987 pay increase.....	...	...	$18,692
This request provides for the annualization of the January 4, 1987, pay increase. The calculation of the amount required for annualization is based on 68 paid days (October 1, 1986, through January 3, 1987), which were not included in the pay raise amount of $9,309,000. Additionally, $9,308,000 of the 1987 pay requirement was absorbed. Total annualization required is $18,692,000.			
5. Within-grade increases.....	...	...	6,425
This request provides for an expected increase in the cost of within-grade increases. This increase is generally consistent with increases experienced in recent years and is approximately one percent above the base for compensation and related benefits for permanent employment. (Personnel compensation of $5,654,000 and benefits of $771,000 = $6,425,000)			
6. Medicare costs.....	...	...	234
Beginning January 1, 1985, the base on which earnings for medicare computations are calculated increased from $37,800 to $39,600. Additionally, beginning January 1, 1986, the base for computation increased to $42,000 and the rate changed from 1.35 to 1.45 percent. This increase is computed for 16,471 eligible employees.			
7. Locality based per diem.....	...	...	3,000
Public Law 99-234 autherized a new locality-based per diem and lifted the $75.00 ceiling in certain geographic areas. An uncontrollable increase of $3,000,000 is required to meet the expected 10 percent increase to total travel funds.			

	Perm. Pos.	Workyears	Amount
8. Federal Employees' Compensation Act (FECA) - Workers' Compensation.....	...	...	$959
This increase reflects the billing provided by the Department of Labor for the actual costs in 1986 of employees' accident compensation. The 1988 amount will be $4,770,000 or $959,000 over the 1987 base.			
9. GSA Rent.....	...	...	14,472
In 1987, the Rent system replaces the Standard Level User Charges (SLUC) system. GSA will charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $14,472,000 is required to meet our commitment to GSA.			
10. GSA recurring reimbursable services.....	...	...	351
Reimbursable payments are made to GSA for heating, ventilation, and air conditioning provided in excess of normal working hours and for guard service. GSA has estimated a 4.2 percent increase of $351,000 in fees for these services in 1988 over the 1987 charges of $8,361,000.			
11. Federal Telecommunications System (FTS).....	...	...	185
The General Services Administration has advised of a 16 percent increase in Federal Telecommunications System (FTS) Intercity costs for 1986. This increase is mainly due to unanticipated tariff increases, savings GSA had built into their original budget estimate which will not materialize and FY 1985 costs which were not billed by GSA last year. An increase of $185,000 over the 1987 base of $6,393,000 is requested.			
12. Telephone Service.....	...	...	1,000
On February 25, 1986, the District of Columbia Public Service Commission (PSC) issued its final order in the Chesapeake and Potomac telephone company (C&P) rate case. The PSC, in its order, allowed C&P to increase its rates by $31 million and set the rates for C&P's intrastate services. An increase of $1,000,000 over the 1987 base of $1,217,552 is requested to pay these charges.			

	Perm. Pos.	Workyears	Amount
13. GPO printing costs	...	...	$44

The Government Printing Office (GPO) is currently projecting a 3 to 4 percent increase over the 1987 printing cost of $1,453,000. An additional $44,000 will be required in 1988.

14. General pricing level adjustment	...	...	11,676

This request applies OMB pricing guidance as of December 1986 to selected expense categories. The increased costs identified result from applying a factor of 3.5 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs, and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1987 estimates.

Object Class	General Pricing Level Adjustment
Travel and transportation of persons	$1,160
Transportation of things	53
Rental payments to others	48
Communications, utilities, and miscellaneous charges	4,865
Other services	4,040
Supplies and Materials	973
Equipment	537
Total	11,676

Total uncontrollable increases	...	142	121,548
Decreases (automatic non-policy)			
1. Nonrecurring costs - reappropriation	...	...	-5,636

In 1987, unobligated balances were reappropriated to provide no-year funding for a special project. This amount is being nonrecurred in 1988.

	Perm. Pos.	Workyears	Amount
2. Reduction for change in hourly rate.....	...	...	-$1,697

Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985, required the computation of annual salary rates to be based on 2,087 hours, rather than 2,080. The same amount that was reduced in 1984 and restored in 1986 is requested for reduction in 1988.

3. Reduction in health benefits.....	...	...	-1,508

The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1986, the FBI's actual contribution to health insurance decreased approximately 7.6 percent due primarily to reduced carrier rates. The requested decrease includes $1,508,000 for decreased rates under the 1987 budgeted base of $21,108,000.

4. Nonrecurring Costs - artificial intelligence.....	...	...	-6,000

The 1987 request contains $6,000,000 for artificial intelligence. This entire amount is being nonrecurred in 1988.

Total decreases.....	...	...	-14,891
Total, adjustments to base.....	-200	-58	104,657

Federal Bureau of Investigation

Salaries and expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and Salary Ranges	1987 Estimate		1988 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Executive Level II, $75,100.....	1		1		...	
Executive Level IV, $72,300.....	1		1		...	
Executive Level V, $70,800.....	2		2		...	
GS-18, $70,800.....	20		20		...	
GS-17, $70,800.....	43		43		...	
GS/GM-16, $63,135 - $70,800.....	77		77		...	
GS/GM-15, $53,830 - $69,976.....	308		308		...	
GS/GM-14, $45,763 - $59,488.....	1,224		1,236		12	
GS/GM-13, $38,727 - $50,346.....	5,565		5,597		32	
GS-12, $32,567 - $42,341.....	1,284		1,284		...	
GS-11, $27,172 - $35,326.....	1,438		1,450		12	
GS-10, $24,732 - $32,148.....	926		1,135		209	
GS-9, $22,458 - $29,199.....	1,123		1,349		226	
GS-8, $20,333 - $26,435.....	400		400		...	
GS-7, $18,358 - $23,866.....	1,752		1,819		67	
GS-6, $16,521 - $21,480.....	1,925		1,925		...	
GS-5, $14,822 - $19,268.....	3,609		3,569		-40	
GS-4, $13,248 - $17,226.....	1,680		1,680		...	
GS-3, $11,802 - $15,339.....	612		612		...	
Ungraded Positions.....	466		466		...	
Total, appropriated positions	22,456	$663,305	22,974	$690,582	518	$27,277
Pay above stated annual rates....	...	2,470	...	5,202	...	2,732
Lapse.....	-656	-17,351	-738	-19,496	-82	-2,145
Net savings due to lower pay scales for part of the year....	...	-6,341	...	...	...	6,341
Net full-time permanent.....	21,800	642,083	22,236	676,288	436	34,205

1846

Summary of Requirements by Grade and Object Class (continued)
(Dollars in thousands)

Grades and Salary Ranges	1987 Estimate		1988 Estimate		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount
Other than permanent:						
Part-time permanent	31	$386	31	$396	...	$10
Other personnel compensation:						
Overtime	267	5,000	267	5,000	...	...
Administratively Uncontrollable Overtime	2,221	57,528	2,263	61,155	42	3,627
Other compensation	68	1,764	71	1,919	3	155
Total, workyears and personnel compensation	24,387	706,761	24,868	744,758	481	37,997
Average GS/GM Salary	...	$27,263	...	$27,314		
Average GS/GM Grade	...	9.41	...	9.45		

Summary of Requirements by Grade and Object Class (continued)
(Dollars in thousands)

Object Class	1987 Estimate Workyears	1987 Estimate Amount	1988 Estimate Workyears	1988 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11 Personnel compensation:						
11.1 Full-Time permanent	21,800	$642,083	22,236	$676,288	436	$34,205
11.3 Other than permanent	31	386	31	396	...	10
11.5 Other personnel compensation	2,556	64,292	2,601	68,074	45	3,782
Total, Workyears and Personnel Compensation	24,387	706,761	24,868	744,758	481	37,997
12 Personnel benefits	...	132,492	...	197,039	...	64,547
13 Benefits to former personnel	...	361	...	361	...	...
21 Travel and transportation of persons	...	29,110	...	35,519	...	6,409
22 Transportation of things	...	7,472	...	8,128	...	656
23.1 GSA Rent	...	69,501	...	85,004	...	15,503

Summary of Requirements by Grade and Object Class (continued)
(Dollars in thousands)

		1987 Estimate		1988 Estimate		Increase/Decrease	
		Workyears	Amount	Workyears	Amount	Workyears	Amount
23.2	Rental payments to others.....	...	$4,135	...	$4,773	...	$638
23.3	Communications, utilities and miscellaneous charges...	...	52,241	...	58,250	...	6,009
24	Printing and Reproduction.....	...	2,391	...	2,473	...	82
25	Other services.....	...	102,859	...	109,406	...	6,547
26	Supplies and materials.....	...	34,951	...	37,483	...	2,532
31	Equipment.....	...	193,334	...	193,333	...	-1
32	Lands and structures.....	...	9,584	...	13,150	...	3,566
42	Insurance claims and indemnities.....	...	360	...	360	...	...
91	Unvouchered.....	...	70	...	70	...	...
	Total Obligations.....	...	1,345,622	...	1,490,107	...	144,485
	Unobligated balance, start-of-year.	...	-47,319	...	-5,686	...	41,633
	Unobligated balance, end-of-year...	...	5,686	...	...	...	-5,686
	Total requirements.....	...	1,303,989	...	1,484,421	...	180,432
	Relation of obligations to outlays:						
	Obligated balance, start-of-year.	...	247,546	...	313,063		
	Obligated balance, end-of-year...	...	-313,063	...	-331,104		
	Outlays.....	...	1,280,105	...	1,472,066		

Federal Bureau of Investigation

Building and Facilities

Status of Construction and Summary of New Facilities Requirements
(Dollars in thousands)

Project	Budget Request or Appropriation: Planning and Site Acquisition Fiscal Year	Amount	Construction Fiscal Year	Amount	Total Funding	Total Current Cost Estimate or Actual	Current Status - January 1987: Obligated to Date	Stage of Program	Expect. Comp. Date	Estim. Activ. Date
I. Under Construction or fully funded:										
1. Dormitory Building										
Architectural & Engineering	1984	$1,076			$1,076	$1,167	$974	Construction Administration	9/88	9/88
Construction			1986	$13,772	13,772	13,772	1,603	Construction	9/88	9/88
2. Crime Scene Building										
Architectural & Engineering	1985	130			130	130	128	Construction Administration	12/86	12/86
Construction			1985	1,372	1,372	1,372	1,322	Construction	12/86	12/86
3. Instructional Building										
Architectural & Engineering	1985	307			307	307	299	Construction Administration	12/86	12/86
Construction			1985	2,013	2,013	2,013	1,688	Construction	12/86	12/86
4. Maintenance Building										
Architectural & Engineering	1986	209			209	209	155	Construction Administration	8/87	8/87
Construction			1986	1,918	1,918	1,918	809	Construction	8/87	8/87

Project	Budget Request or Appropriation: Planning and Site Acquisition Fiscal Year	Planning and Site Acquisition Amount	Construction Fiscal Year	Construction Amount	Total Funding	Total Current Cost Estimate or Actual	Current Status - January 1987: Obligated to Date	Current Status - January 1987: Stage of Programs	Expect. Comp. Date	Estim. Activ. Date
5. Western Regional Computer Support Center										
Architectural & Engineering	1985 1986 1987	$822 331 96			$4,749	$4,749	$4,728	Construction Documentation	6/87	6/87
Site Acquisition	1985	3,500						Site Acquired	9/85	9/85
Construction			1985 1986 1987	$2,364 6,108 1,366	9,838	13,403	7,473	Under Construction	6/87	6/87
II. Partially Funded:										
1. Engineering Research Building										
Architectural & Engineering	1984 1985 1985 1986 1987	1,695 82 131 1,008 46			2,962	2,962	1,480	Construction Documentation	8/90	8/90
Construction			1985 1988	9,000 982 13,000	22,982	36,511	937	Site Preparation	8/89 to 8/90	8/89 to 8/90
2. Mid-Atlantic Regional Headquarters Computer Support Center										
Architectural & Engineering	1987	4,500			4,500	4,500	---	Design Development	12/90	12/90
Construction			1988	20,000	20,000	45,864	---		12/91	12/91

NOTE: Construction is currently scheduled to be completed over several years due to funding constraints.

Federal Bureau of Investigation

Salaries and expenses

Consulting and Related Services
(Dollars in thousands)

	1986 Actual	1987 Estimate	1988 Estimate
Consulting Services	$5,924	$3,647	$3,927

Consulting services are used to support the continuing development and enhancement of the FBI's automated data processing and information systems. The services of the Institute for Defense Analyses (IDA) were used to study the cost benefits associated with implementation of the Field Office Information Management System (FOIMS). FOIMS is a multiyear, multimillion dollar developmental project which will serve as the backbone of the FBI's integrated distributed data processing environment. The services of IDA were also used to perform a cost benefit analysis and develop a cost module for the integrated digital voice privacy radio system. Additionally, SAFE, Incorporated performed an analysis of radio frequency requirements for the voice privacy project. An architectural and engineering firm is being used to manage the construction of the Engineering Research Facility.

The services of consultants are obtained when either in-house staff does not possess a particular expertise or resources to conduct certain research activities, or when a service or project can be performed more economically by an outside academic or research facility. For example, the services of Dr. Murray Miron, Syracuse University, are used to obtain psycholinguistic analyses of coercive communications. The FBI will continue to use the services of the National Bureau of Standards to support the design and implementation of the Automated Identification Division System (AIDS-III) and to develop enhancements to the Automated Latent System.

The FBI contracts with physicians to perform in-house physical examinations. Additionally, the services of qualified psychiatrists are retained to support a psychological services program available to all FBI employees and their immediate families. For 1988, an increase of $280,000 is requested for consulting and related services supporting the psychological services and in-house physical examination programs.

1852

Mr. WEBSTER. I guess this will be your last appearance? How many times have you been here?

Mr. WEBSTER. I guess this will be my ninth or tenth appearance, I am not sure, Mr. Chairman.

Mr. SMITH. Well, you have had a good relationship with this Committee. I don't know whether it is right to say I am sorry you are going, because I suppose you want to go or you wouldn't be leaving.

Mr. WEBSTER. I am not sure about that.

Mr. SMITH. Nevertheless, it has been a good relationship and I hope that whoever your replacement is, we have the same relationship with him. You may proceed with your statement.

Mr. WEBSTER. Thank you, Mr. Chairman, and I assure you I will do everything to make sure that the next director understands the cordial relationship that has done so much good for the Bureau and, I think, for the country.

I want to express my appreciation to you and the other Members of your Subcommittee for all the confidence you have expressed through the years in the FBI. I think we have achieved some commendable results from our criminal and foreign counterintelligence investigations during the past year.

The resources and authorizations that you have given us have allowed us to address unanticipated investigative exigencies while attending to our other responsibilities in an effective manner.

For fiscal year 1988, the FBI is requesting a total of $1,484,421,000 for 22,974 positions and 22,267 workyears. This represents a net increase, over the 1988 base, or $75,775,000, 718 permanent positions, and 494 direct workyears.

To continue to meet our investigative responsibilities in foreign counterintelligence and other criminal violations, additional resources are critical. Let me emphasize now some of our 1988 initiatives.

ORGANIZED CRIME INVESTIGATIONS

First with respect to our organized crime investigations, during 1986, our organized crime program achieved over 2,000 indictments and over 1,700 convictions. The FBI's organized crime drug enforcement investigations secured an additional 1,950 indictments and over 1,550 convictions. A Sicilian-based heroin investigation, initiated in 1981, culminated with the arrest of 37 individuals and the execution of 49 search warrants. Seven FBI field offices, DEA, U.S. Customs Service, New York City Police Department, and five foreign countries participated in this investigation.

I think you are aware that there were major convictions in that case just recently. Also, three "Bosses," two "Underbosses," nine "Capo Decinas," 22 "Soldiers," and 109 "La Cosa Nostra" associates were convicted in 1986 in FBI La Cosa Nostra investigations.

Although we have been successful in several La Cosa Nostra investigations, organized crime's influence on everyday American life continues. The additional resources requested will enable the FBI to focus on criminal control and domination of some major national and international unions in the United States, and permit us to seize the illicit profits of organized criminal groups. The organized

crime drug enforcement budget increase will allow us to continue to work closely with other U.S. Government agencies and foreign authorities to penetrate drug-trafficking enterprises.

By doing so, we can seize the financial assets of the upper echelon of drug trafficking enterprises.

The requested increases include 106 agent and 139 support positions for organized crime and 12 agent positions for organized crime drug enforcement. Budget authority increases include $13.6 million for organized crime and $2 million for organized crime drug enforcement.

WHITE-COLLAR CRIME

Turning to white-collar crime, the top investigative priority of this white-collar crime program is fraud against the Government. These investigations center on Department of Defense procurement frauds, which involve bribery; improper charges for labor; defective pricing; product substitution; and false test certifications. In the last two years Defense Department procurement fraud cases have increased 37 percent.

This requested increase will improve our ability to address fraud-related bank failures. The Nation's financial institutions have been experiencing failures at a rate not seen since the Great Depression. Insider fraud and abuse is a significant contributing factor in many of these failures.

Due to the severity of the problem, the Attorney General's Economic Crime Council has recently made financial fraud its number two criminal priority, behind Department of Defense fraud. Federal banking supervisory agencies forecast a continuing trend of financial institution failures, which would place additional strain on our investigative resources.

Our request for white-collar crime totals 42 agent and 38 support positions and $2 million in budget authority.

TERRORISM PROGRAM

As you know, the FBI is the lead Federal law enforcement agency in the United States Government's fight against terrorism and is responsible for preventing, interdicting, and investigating the criminal activities of domestic and international terrorist groups and individuals.

Over the past several years the arrest, prosecution, and incarceration of the key leadership elements of various terrorist organizations have contributed to a general decline in the number of terrorist incidents committed in the United States. Seventeen confirmed incidents of terrorism occurred in the United States last calendar year. Although this represents a slight increase following a decline from 51 in 1982, 31 in 1983, 13 in 1984, to seven in 1985, statistically, we are dealing with a small number of figures.

Ten of the 17 incidents of terrorism last year occurred on the Island of Puerto Rico and are attributed to Puerto Rican independence extremist groups. Five other terrorist incidents occurred in Coeur d'Alene, Idaho, and have been attributed to right-wing hate groups.

During 1986, the terrorism program recorded 105 arrests and 86 convictions. FBI investigative efforts prevented eight terrorist incidents from occurring in 1986. These included four potential bombings, a planned prison escape, and the possible overthrow of the Government of Suriname.

Over the past several years, the arrest, prosecution, and incarceration of the key leadership elements of various terrorist organizations have contributed to a general decline of terrorist organizations have contributed to a general decline of terrorism in this country. But the increase that we witnessed last year is evidence that the threat posed by foreign and domestic terrorist groups continues to be quite real.

The FBI has acquired expanded extraterritorial jurisdiction and authority to act, due to legislation which you passed in 1984, and again in 1986. Where deemed appropriate is in certain terrorist-related hostage situations, we have that jurisdiction. And we must investigate it abroad. Since June 1985, significant resources have been expended in foreign investigations of hostage taking outside the United States.

The FBI is committed to intensifying the investigative activity and upgrading the analytical capability in our terrorism program. I have confidence that we can continue to demonstrate that it is possible to deal lawfully with the crime of terrorism.

The requested increases include 21 agents and 12 support positions and $1.9 million in budget authority for the domestic terrorism program.

OFFICE OF LIAISON AND INTERNATIONAL AFFAIRS

I have included an item that I think will be of interest, and of special interest, to Congressman Early, who has frequently asked about this subject. On November 23, 1986, I approved the establishment of the Office of Liaison and International Affairs.

The Office of Liaison and International Affairs has responsibility for the legal attache and foreign liaison programs. Specifically, the Office of Liaison and International Affairs oversees the operation of 13 legal attache offices which cover 67 countries throughout the world. Further, the office coordinates regular liaison with 30 Washington, D.C.-based foreign representatives of 16 foreign agencies.

Within its overall responsibility, the Office of Liaison and International Affairs maintains an active working relationship with Interpol and supports foreign police cooperation matters in the United States.

INTEGRATED DIGITAL VOICE PRIVACY RADIO SYSTEM

Turning now to some of our technical efforts. In August 1985, the Attorney General directed that the FBI take the lead in the design, development, and implementation of a single, integrated voice privacy radio system. This system will support the tactical radio requirements of the FBI, DEA, and U.S. Marshals Service, thereby ensuring compatibility of radio communications among the three agencies. This is particularly important when the concurrent jurisdiction of the FBI and DEA in narcotics matters is considered.

Advantages of the integrated system include a uniform, consistent approach to planning, development, acquisition, implementation, and maintenance. The system will also improve geographic coverage and cost benefits. Since 1986, the FBI and DEA have successfully operated a "testbed" for an integrated radio system in the Boston field office. The experience gained from this "testbed" is being used to guide the ongoing integration efforts.

Our enhanced requirements for the integrated digital voice privacy radio system include 50 electronics technician positions and associated budget authority of $703,000 for personnel. In addition, the request includes $10 million for equipment to integrate the radio systems for the FBI, DEA, and U.S. Marshals Service offices in the northeast United States.

ENGINEERING RESEARCH FACILITY

Our request for the Engineering Research Facility will provide the FBI with the physical plant needed to implement advanced capabilities that are neither available nor possible at our present facility. Among these capabilities is a rapid-prototype quick-reaction capability that will result in substantial savings and cost avoidances.

Currently, the FBI must contract for the design and fabrication of custom electronic circuits and devices often needed to take advantage of immediate or specific investigative opportunities. With the establisment of an in-house fabrication capability, the FBI will be able to reduce not only the cost of custom devices, but also the time required to obtain them.

In some cases, this will reduce the time required from 24 months to six months. Construction of the Engineering Research Facility will improve greatly the FBI's ability to respond to these situations.

Additionally, the Engineering Research Facility will support the integrated digital voice privacy radio system and complement the collocation of the FBI's Engineering Section and DEA's Office of Science and Technology.

Congress provided $9.982 million in 1985 for the construction of an engineering facility. An additional $13 million is required in 1988 to continue planned construction, with the total construction cost of the facility estimated to be $36.5 million.

TRAINING

A third dormitory, to be completed in late 1988, will enable students to participate in secure classroom lectures and study in their adjacent bedrooms without jeopardizing security. The new multimillion dollar facility will consist of 250 single-occupancy bedrooms and three conference rooms. We are requesting $2.5 million for furniture to make the dormitory functional.

FOREIGN COUNTERINTELLIGENCE PROGRAM

We are also seeking further enhancements for our foreign counterintelligence program, representing the final installment in President Reagan's five-year initiative to increase the FBI's foreign counterintelligence capabilities.

ADMINISTRATIVE SERVICES

Although it represents a relatively small dedication of resources, our request for additional administrative services funds is also an essential priority. The FBI requires four agents and 35 support positions and associated funding of $4.2 million in budget authority for all aspects of administrative services. These resources will enable the FBI to maintain efficient financial services and effective personnel management, including the required recruiting and hiring of personnel.

Mr. Chairman, that is a brief overview of our 1988 request. I am providing you will a more extensive summary for the record, and I will now be very pleased to respond to any of your questions.

[The statement of Mr. Webster follows:]

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DEPARTMENT OF JUSTICE
WILLIAM H. WEBSTER
STATEMENT OF THE DIRECTOR
FEDERAL BUREAU OF INVESTIGATION
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE
ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND
STATE, THE JUDICIARY, AND RELATED AGENCIES

GOOD AFTERNOON, MR. CHAIRMAN. I WISH TO EXPRESS MY APPRECIATION TO YOU AND THE OTHER MEMBERS OF YOUR SUBCOMMITTEE FOR YOUR CONTINUED CONFIDENCE IN THE FBI. THE FBI HAS ACHIEVED COMMENDABLE RESULTS FROM ITS CRIMINAL AND FOREIGN COUNTERINTELLIGENCE INVESTIGATIONS. THE RESOURCES AND AUTHORIZATIONS YOU HAVE GIVEN US HAVE ALLOWED US TO ADDRESS UNANTICIPATED INVESTIGATIVE EXIGENCIES WHILE ATTENDING TO OUR OTHER RESPONSIBILITIES IN AN EFFECTIVE MANNER.

FOR FISCAL YEAR 1988, THE FBI IS REQUESTING A TOTAL OF $1,484,421,000; 22,974 POSITIONS; AND 22,267 WORKYEARS. THIS REPRESENTS A NET INCREASE, OVER THE 1988 BASE, OF $75,775,000; 718 PERMANENT POSITIONS; AND 494 DIRECT WORKYEARS.

TO CONTINUE TO MEET OUR INVESTIGATIVE RESPONSIBILITIES IN FOREIGN COUNTERINTELLIGENCE AND OTHER CRIMINAL VIOLATIONS, ADDITIONAL RESOURCES ARE CRITICAL. LET ME EMPHASIZE SOME OF OUR 1988 INITIATIVES.

ORGANIZED CRIME INVESTIGATIONS

DURING 1986, OUR ORGANIZED CRIME PROGRAM ACHIEVED OVER 2,000 INDICTMENTS AND OVER 1,700 CONVICTIONS. THE FBI'S ORGANIZED CRIME DRUG ENFORCEMENT INVESTIGATIONS SECURED AN ADDITIONAL 1,950 INDICTMENTS AND OVER 1,550 CONVICTIONS. A SICILIAN-BASED HEROIN INVESTIGATION, INITIATED IN 1981, CULMINATED WITH THE ARREST OF 37 INDIVIDUALS AND EXECUTION OF 49 SEARCH WARRANTS. SEVEN FBI FIELD OFFICES, DEA, U.S. CUSTOMS SERVICE, NEW YORK CITY POLICE DEPARTMENT, AND FIVE FOREIGN COUNTRIES PARTICIPATED IN THIS INVESTIGATION. ALSO, THREE "BOSSES," TWO "UNDERBOSSES," NINE "CAPO DECINAS," 22 "SOLDIERS," AND 109 ASSOCIATES WERE CONVICTED IN 1986 IN FBI LA COSA NOSTRA INVESTIGATIONS.

ALTHOUGH WE HAVE BEEN SUCCESSFUL IN SEVERAL LA COSA NOSTRA INVESTIGATIONS, ORGANIZED CRIME'S INFLUENCE ON EVERYDAY AMERICAN LIFE CONTINUES. THE ADDITIONAL RESOURCES REQUESTED WILL ENABLE THE FBI TO FOCUS ON CRIMINAL CONTROL AND DOMINATION OF SOME MAJOR NATIONAL AND INTERNATIONAL UNIONS IN THE UNITED STATES, AND PERMIT US TO SEIZE THE ILLICIT PROFITS OF ORGANIZED CRIMINAL GROUPS. THE ORGANIZED CRIME DRUG ENFORCEMENT BUDGET INCREASE WILL ALLOW US TO CONTINUE TO WORK CLOSELY WITH OTHER U.S.

GOVERNMENT AGENCIES AND FOREIGN AUTHORITIES TO PENETRATE DRUG-TRAFFICKING ENTERPRISES. BY DOING SO, WE CAN SEIZE THE FINANCIAL ASSETS OF THE UPPER ECHELON OF DRUG TRAFFICKING ENTERPRISES.

THE REQUESTED INCREASES INCLUDE 106 AGENT AND 139 SUPPORT POSITIONS FOR ORGANIZED CRIME AND 12 AGENT POSITIONS FOR ORGANIZED CRIME DRUG ENFORCEMENT. BUDGET AUTHORITY INCREASES INCLUDE $13.6 MILLION FOR ORGANIZED CRIME AND $2 MILLION FOR ORGANIZED CRIME DRUG ENFORCEMENT.

WHITE-COLLAR CRIME

THE TOP INVESTIGATIVE PRIORITY OF THE WHITE-COLLAR CRIME PROGRAM IS FRAUD AGAINST THE GOVERNMENT. THESE INVESTIGATIONS CENTER ON DEPARTMENT OF DEFENSE PROCUREMENT FRAUDS, WHICH INVOLVE BRIBERY; IMPROPER CHARGES FOR LABOR; DEFECTIVE PRICING; PRODUCT SUBSTITUTION; AND FALSE TEST CERTIFICATIONS. IN THE LAST TWO YEARS DEFENSE DEPARTMENT PROCUREMENT FRAUD CASES HAVE INCREASED 37 PERCENT. THIS REQUESTED INCREASE WILL IMPROVE OUR ABILITY TO ADDRESS FRAUD-RELATED BANK FAILURES. THE NATION'S FINANCIAL INSTITUTIONS HAVE BEEN EXPERIENCING FAILURES AT A RATE NOT SEEN SINCE THE GREAT DEPRESSION. INSIDER FRAUD AND ABUSE IS A SIGNIFICANT CONTRIBUTING FACTOR IN MANY OF THESE FAILURES. DUE TO THE SEVERITY OF THE PROBLEM, THE ATTORNEY GENERAL'S ECONOMIC CRIME COUNCIL HAS

RECENTLY MADE FINANCIAL FRAUD ITS NUMBER TWO CRIMINAL PRIORITY, BEHIND DEPARTMENT OF DEFENSE FRAUD. FEDERAL BANKING SUPERVISORY AGENCIES FORECAST A CONTINUING TREND OF FINANCIAL INSTITUTION FAILURES, WHICH WILL PLACE ADDITIONAL STRAIN ON OUR INVESTIGATIVE RESOURCES.

OUR REQUEST FOR WHITE-COLLAR CRIME TOTALS 42 AGENT AND 38 SUPPORT POSITIONS AND $2 MILLION IN BUDGET AUTHORITY.

TERRORISM PROGRAM

THE FBI IS THE LEAD FEDERAL LAW ENFORCEMENT AGENCY IN THE UNITED STATES GOVERNMENT'S FIGHT AGAINST TERRORISM AND IS RESPONSIBLE FOR PREVENTING, INTERDICTING, AND INVESTIGATING THE CRIMINAL ACTIVITIES OF DOMESTIC AND INTERNATIONAL TERRORIST GROUPS AND INDIVIDUALS. OVER THE PAST SEVERAL YEARS THE ARREST, PROSECUTION, AND INCARCERATION OF THE KEY LEADERSHIP ELEMENTS OF VARIOUS TERRORIST ORGANIZATIONS HAVE CONTRIBUTED TO A GENERAL DECLINE IN THE NUMBER OF TERRORIST INCIDENTS COMMITTED IN THE UNITED STATES.

SEVENTEEN CONFIRMED INCIDENTS OF TERRORISM OCCURRED IN THE UNITED STATES LAST CALENDAR YEAR. ALTHOUGH THIS REPRESENTS A SLIGHT INCREASE FOLLOWING A DECLINE FROM 51 IN 1982, 31 IN 1983, 13 IN 1984, TO SEVEN IN 1985, STATISTICALLY WE ARE DEALING WITH A RELATIVELY SMALL NUMBER OF FIGURES. TEN OF THE 17 INCIDENTS OF TERRORISM LAST YEAR OCCURRED ON

THE ISLAND OF PUERTO RICO AND ARE ATTRIBUTED TO PUERTO RICAN INDEPENDENCE EXTREMIST GROUPS. FIVE OTHER TERRORIST INCIDENTS OCCURRED IN COUER D' ALENE, IDAHO, AND HAVE BEEN ATTRIBUTED TO RIGHT-WING HATE GROUPS. DURING 1986, THE TERRORISM PROGRAM RECORDED 105 ARRESTS AND 86 CONVICTIONS. FBI INVESTIGATIVE EFFORTS PREVENTED EIGHT TERRORIST INCIDENTS FROM OCCURRING IN 1986. THESE INCLUDED FOUR POTENTIAL BOMBINGS, A PLANNED PRISON ESCAPE, AND THE POSSIBLE OVERTHROW OF THE GOVERNMENT OF SURINAME.

OVER THE PAST SEVERAL YEARS, THE ARREST, PROSECUTION, AND INCARCERATION OF THE KEY LEADERSHIP ELEMENTS OF VARIOUS TERRORIST ORGANIZATIONS HAVE CONTRIBUTED TO A GENERAL DECLINE OF TERRORISM IN THIS COUNTRY. BUT THE INCREASE WE WITNESSED LAST YEAR IS EVIDENCE THAT THE THREAT POSED BY FOREIGN AND DOMESTIC TERRORIST GROUPS CONTINUES TO BE QUITE REAL. THE FBI HAS ACQUIRED EXPANDED EXTRATERRITORIAL JURISDICTION AND AUTHORITY TO ACT, WHERE DEEMED APPROPRIATE, IN CERTAIN TERRORIST-RELATED HOSTAGE SITUATIONS. SINCE JUNE 1985, SIGNIFICANT RESOURCES WERE EXPENDED IN FOUR INVESTIGATIONS OF HOSTAGE-TAKING ABROAD.

THE FBI IS COMMITTED TO INTENSIFYING THE INVESTIGATIVE ACTIVITY AND UPGRADING THE ANALYTICAL CAPABILITY IN OUR TERRORISM PROGRAM. I HAVE CONFIDENCE THAT WE CAN CONTINUE TO DEMONSTRATE THAT IT IS POSSIBLE TO DEAL LAWFULLY WITH THE CRIME OF TERRORISM.

THE REQUESTED INCREASES INCLUDE 21 AGENT AND 12 SUPPORT POSITIONS AND $1.9 MILLION IN BUDGET AUTHORITY FOR THE DOMESTIC TERRORISM PROGRAM.

OFFICE OF LIAISON AND INTERNATIONAL AFFAIRS

ON NOVEMBER 23, 1986, I APPROVED THE ESTABLISHMENT OF THE OFFICE OF LIAISON AND INTERNATIONAL AFFAIRS. THE OFFICE OF LIAISON AND INTERNATIONAL AFFAIRS OVERSEES FBI HEADQUARTERS UNITS HAVING RESPONSIBILITY FOR THE LEGAL ATTACHE AND FOREIGN LIAISON PROGRAMS. SPECIFICALLY, THE OFFICE OF LIAISON AND INTERNATIONAL AFFAIRS OVERSEES THE OPERATION OF 13 LEGAL ATTACHE OFFICES WHICH COVER 67 COUNTRIES THROUGHOUT THE WORLD.

FURTHER, THE OFFICE COORDINATES REGULAR LIAISON WITH 30 WASHINGTON D.C.-BASED FOREIGN REPRESENTATIVES REPRESENTING 16 FOREIGN AGENCIES.

WITHIN ITS OVERALL RESPONSIBILITY THE OFFICE OF LIAISON AND INTERNATIONAL AFFAIRS MAINTAINS AN ACTIVE WORKING RELATIONSHIP WITH INTERPOL AND SUPPORTS FOREIGN POLICE COOPERATION MATTERS IN THE UNITED STATES.

INTEGRATED DIGITAL VOICE PRIVACY RADIO SYSTEM

IN AUGUST 1985, THE ATTORNEY GENERAL DIRECTED THAT THE FBI TAKE THE LEAD IN THE DESIGN, DEVELOPMENT, AND IMPLEMENTATION OF A SINGLE, INTEGRATED VOICE PRIVACY RADIO SYSTEM. THIS SYSTEM WILL SUPPORT THE TACTICAL RADIO REQUIREMENTS OF THE

FBI, DEA, AND U.S. MARSHALS SERVICE, THEREBY ENSURING COMPATIBILITY OF RADIO COMMUNICATIONS AMONG THE THREE AGENCIES. THIS IS PARTICULARLY IMPORTANT WHEN THE CONCURRENT JURISDICTION OF THE FBI AND DEA IN NARCOTICS MATTERS IS CONSIDERED. ADVANTAGES OF THE INTEGRATED SYSTEM INCLUDE A UNIFORM, CONSISTENT APPROACH TO PLANNING, DEVELOPMENT, ACQUISITION, IMPLEMENTATION, AND MAINTENANCE. THE SYSTEM WILL ALSO IMPROVE GEOGRAPHIC COVERAGE AND COST BENEFITS. SINCE 1986, THE FBI AND DEA HAVE SUCCESSFULLY OPERATED A "TESTBED" FOR AN INTEGRATED RADIO SYSTEM IN THE BOSTON FIELD OFFICE. THE EXPERIENCE GAINED FROM THIS "TESTBED" IS BEING USED TO GUIDE THE ONGOING INTEGRATION EFFORTS.

OUR ENHANCED REQUIREMENTS FOR THE INTEGRATED DIGITAL VOICE PRIVACY RADIO SYSTEM INCLUDE 50 ELECTRONICS TECHNICIAN POSITIONS AND ASSOCIATED BUDGET AUTHORITY OF $703,000 FOR PERSONNEL. IN ADDITION, THE REQUEST INCLUDES $10 MILLION FOR EQUIPMENT TO INTEGRATE THE RADIO SYSTEMS FOR THE FBI, DEA, AND U.S. MARSHALS SERVICE OFFICES IN THE NORTHEAST UNITED STATES.

THE ENGINEERING RESEARCH FACILITY

OUR REQUEST FOR THE ENGINEERING RESEARCH FACILITY WILL PROVIDE THE FBI WITH THE PHYSICAL PLANT NEEDED TO IMPLEMENT ADVANCED CAPABILITIES THAT ARE NEITHER AVAILABLE NOR POSSIBLE AT OUR PRESENT

FACILITY. AMONG THESE CAPABILITIES IS A RAPID PROTOTYPING/QUICK REACTION CAPABILITY THAT WILL RESULT IN SUBSTANTIAL SAVINGS AND COST AVOIDANCES. CURRENTLY, THE FBI MUST CONTRACT FOR THE DESIGN AND FABRICATION OF CUSTOM ELECTRONIC CIRCUITS AND DEVICES OFTEN NEEDED TO TAKE ADVANTAGE OF IMMEDIATE OR SPECIFIC INVESTIGATIVE OPPORTUNITIES. WITH THE ESTABLISHMENT OF AN IN-HOUSE FABRICATION CAPABILITY, THE FBI WILL BE ABLE TO REDUCE NOT ONLY THE COST OF CUSTOM DEVICES, BUT ALSO THE TIME REQUIRED TO OBTAIN THEM. IN SOME CASES, THIS WILL REDUCE THE TIME REQUIRED FROM 24 MONTHS TO SIX MONTHS. CONSTRUCTION OF THE ENGINEERING RESEARCH FACILITY WILL IMPROVE GREATLY THE FBI'S ABILITY TO RESPOND TO THESE SITUATIONS.

ADDITIONALLY, THE ENGINEERING RESEARCH FACILITY WILL SUPPORT THE INTEGRATED DIGITAL VOICE PRIVACY RADIO SYSTEM AND COMPLEMENT THE COLLOCATION OF THE FBI'S ENGINEERING SECTION AND DEA'S OFFICE OF SCIENCE AND TECHNOLOGY.

CONGRESS PROVIDED $9.982 MILLION IN 1985 FOR THE CONSTRUCTION OF AN ENGINEERING FACILITY. AN ADDITIONAL $13 MILLION IS REQUIRED IN 1988 TO CONTINUE PLANNED CONSTRUCTION, WITH THE TOTAL CONSTRUCTION COST OF THE FACILITY ESTIMATED TO BE $36.5 MILLION.

TRAINING

A THIRD DORMITORY, TO BE COMPLETED IN LATE 1988, WILL ENABLE STUDENTS TO PARTICIPATE IN SECURE CLASSROOM LECTURES AND STUDY IN THEIR ADJACENT BEDROOMS WITHOUT JEOPARDIZING SECURITY. THE NEW MULTI-MILLION DOLLAR FACILITY WILL CONSIST OF 250 SINGLE-OCCUPANCY BEDROOMS AND THREE CONFERENCE ROOMS. WE ARE REQUESTING $2.5 MILLION FOR FURNITURE TO MAKE THE DORMITORY FUNCTIONAL.

WE ARE ALSO SEEKING FURTHER ENHANCEMENTS FOR OUR FOREIGN COUNTERINTELLIGENCE PROGRAM, REPRESENTING THE FINAL INSTALLMENT IN PRESIDENT REAGAN'S FIVE-YEAR INITIATIVE TO INCREASE THE FBI'S FOREIGN COUNTERINTELLIGENCE CAPABILITIES.

ALTHOUGH IT REPRESENTS A RELATIVELY SMALL DEDICATION OF RESOURCES, OUR REQUEST FOR ADDITIONAL ADMINISTRATIVE SERVICES FUNDS IS ALSO AN ESSENTIAL PRIORITY. THE FBI REQUIRES FOUR AGENT AND 35 SUPPORT POSITIONS, AND ASSOCIATED FUNDING OF $4.2 MILLION IN BUDGET AUTHORITY FOR ALL ASPECTS OF ADMINISTRATIVE SERVICES. THESE RESOURCES WILL ENABLE THE FBI TO MAINTAIN EFFICIENT FINANCIAL SERVICES AND EFFECTIVE PERSONNEL MANAGEMENT, INCLUDING THE REQUIRED RECRUITING AND HIRING OF PERSONNEL.

SUMMARY

MR. CHAIRMAN, I HAVE CONCLUDED A BRIEF OVERVIEW OF OUR 1988 REQUEST. I AM PROVIDING YOU WITH A MORE EXTENSIVE SUMMARY FOR THE RECORD, AND I WILL BE PLEASED TO FURNISH ANSWERS TO ANY QUESTIONS YOU MAY NOW HAVE.

OMB REDUCTIONS

Mr. SMITH. Thank you.

What was your request for fiscal year 1988 to OMB?

Mr. WEBSTER. I have those figures.

Mr. SMITH. Did they reduce your request?

Mr. WEBSTER. They reduced our 1988 appropriations request by a total budget authority figure of $40,273,000 which consists of $9,336,000 in personnel funding and $30,937,000 in nonpersonnel funding.

Mr. SMITH. Just for the record, break that down for us.

Mr. WEBSTER. Yes, we will be happy to do that.

[The information follows:]

OMB REDUCTIONS TO FBI'S 1988 BUDGET REQUEST

OMB reduced the FBI's FY 1988 program increases by a total budget authority figure of $40,273,000, consisting of $9,336,000 in personnel funding and $30,937,000 in nonpersonnel funding. The reductions to personnel increases represent a total of 399 positions, of which 189 were for Special Agent positions and 210 for support positions.

The largest personnel reductions occurred in the areas of Organized Crime and Terrorism. In these two areas alone, personnel reductions of 152 agent positions and 101 support positions were made.

In the area of nonpersonnel reductions, some of the more notable priority items, which were disallowed include increases for informant payments, travel, artificial intelligence, and GSA Rent.

DETAILS

Specific details regarding the above personnel/nonpersonnel reductions are shown below by decision unit.

Decision unit	SA positions	SPT positions	Total positions	Personnel funding	Nonpersonnel funding	Total funding
Other field programs	83	79	162	$4,270	$6,707	$10,977
Organized crime [1]	69	49	118	3,579	2,238	5,817
OCDE [2]	(12)		(12)	(1,956)	2,612	656
White-collar crime [3]	42	34	76	1,945	125	2,070
ADP & tele-communications [4]		1			12,000	12,000
Records management [5]	7	11	18	821		821
Technical field support and equipment [6]		37	37	677	1,479	2,156
Administrative service [7]					5,776	5,776

[1] $2,238 (nonpersonnel) included: Informant payments (255); and travel ($1,983)

[2] OMB allowed 12 SA POS ($1,956) more than the FBI's request to OMB; $2,612 (nonpersonnel) included: Informant payments ($825); National Drug Enforcement Policy Board ($135); and travel ($1,652)

[3] $125 (nonpersonnel) denied: Informant payments ($125)

[4] $12,000 (nonpersonnel) included: Artificial Intelligence ($12,000)

[5] All personnel increases were denied by OMB.

[6] $1,479 (nonpersonnel) included: Travel ($1,027); and electronics technicians' vehicles ($452)

[7] $5,776 (nonpersonnel) included: GSA rent ($4,935); and travel ($841)

Note: Positions and budget authority amounts shown in parentheses for OCDE represent add-ons by OMB over and above the FBI's request. Hence, these add-ons offset reductions made by OMB.

TERRORISM

Mr. SMITH. Terrorism has not hit this country yet, but what can you tell us about it? I can't believe that terrorists have waited so long to strike this country.

Mr. WEBSTER. There are many reasons that we can hypothesize why we have been so fortunate. I always start by saying that probably it is because the FBI has made it unattractive here. So having given ourselves appropriate credit, we can look around for other things that might have influenced it. Probably the most logical one is that it is easier to attack Americans and American institutions abroad than it is to do so in the United States, and we have many easy targets out there.

Thirty percent of the annual terrorist events worldwide are directed against United States Citizens or United States property, commercial or Governmentally owned. The number of worldwide terrorist incidents last year was in the high 700's leveling off a little last year, but the year before that there was a 35 percent increase over the previous year, so it is something that can't say has stopped or it is going down.

I think whether we will see more of it in the future in the United States hinges on a number of things. The resources we have been spending have been aimed at building a good intelligence base, understanding where the incidents might come from. That, I think is reflected in the number of incidents in the last few years that we have actually been able to prevent from happening.

That intelligence base is just not gathering millions of facts and figures, but focusing on those areas or specific directions where good analysis points us. We are keeping track of the infrastructures that are available or could be potentially available to Middle East terrorist groups who are not active in the United States. The infrastructures are active, but we have not experienced terrorist events from the Middle East.

If something should happen abroad, for instance, a major American retaliatory strike somewhere in the Middle East or some other event of that kind, which might lead to retaliation in the United States, or re-retaliation, then I would expect it very likely that people who have made the threats, such as a Colonel Qadhafi, would make a serious attempt to retaliate here.

For the present, it is much easier for them to vent their spleen on more vulnerable targets outside the United States, and there are plenty of those.

Mr. SMITH. But there are plenty of people in the United States that could do it. We really don't have a way of keeping track of people.

Mr. WEBSTER. No. This is a major problem. People can come across the borders relatively easily. We have a long border on the north and on the south, and historically we have never been able to control them with a level of closeness.

The people that are here right now are really not, in our best intelligence assessment, capable of doing major terrorist activity themselves. They would require others coming over here, although they could provide the support systems, the safe houses and the equipment, additional equipment that might be needed.

So we keep a very close track of the infrastructures. I am sure you will recall, because we talked about this in the late 1970's, when the Iranians had taken our hostages, and about two potential problems. We had 65,000 Iranian students in the United States. We still have a very substantial number of Iranian nationals. We have somewhere in the range of between 2,500 and 3,000 Libyan students, for example.

There are large numbers of Palestinian groups and others from the Middle East who tend to band together with organizations and societies that are not illegal in and of themselves, but some are engaging in illegal activity and that would be grounds for deportation.

Mr. SMITH. But we have Iranians here now. We have no way of knowing whether they go to our consular services in Europe, who are flooded with visa requests. We have no way to check, to know whether the addresses or occupations they give are right, or whether any of it is true. We simply can't check.

Mr. WEBSTER. We are still in catch-up time in that area. The INS has vastly improved its situation since the late 1970's when little old ladies with shoe boxes were keeping slips of paper, trying to figure out whether people had come or gone or not. But they are computerizing and they have, I think, under Commissioner Nelson made tremendous progress. But I would be the last one to say that that would be the vehicle by which we could, with certainty, keep terrorists from entering the country if they wanted to do so.

FBI'S ROLE IN DRUG ENFORCEMENT

Mr. SMITH. Give us the benefit of your experience before you leave this position, on how the FBI fits into the present drug effort, whether it is as good as the way it use to be or if improvements could be made. How do you view this the FBI's role?

Mr. WEBSTER. I would start by saying that in 1982 the Attorney General gave the FBI concurrent jurisdiction with DEA. We literally have the same jurisdiction that they do in all matters except their regulatory matters in which we are not involved, the regulation of illicit drugs.

In addition to that, organized crime drug enforcement task forces were formed around the country to deal with multiagency investigations where Customs or DEA or FBI or INS or Coast Guard or other agencies could collectively be more effective than the individual agencies going off on their own in different directions. That has been useful and largely effective.

With respect to the FBI and DEA, the Attorney General directed that the DEA should report through the Director of the FBI in order that I could develop a common strategy for the two agencies. That has been taking place. I can liken it best at present to two water skiers behind a motor boat.

We have come together in many, many significant ways. Standards of admission for DEA's special agents have been elevated to FBI standards. We are now conducting some 900 joint investigations. We have co-located facilities in many places. We train all the DEA agents at Quantico now under common training provisions. These are just some of the things we are doing.

In my opening statement I made reference to our efforts to have a common communications system with digital voice privacy that protects us from the criminals who have listened to those conversations in the past. The kind of conversation that permits DEA to have private circuits, the FBI to have private circuits, and the Marshals to have private circuits and yet talk to each other on joint investigations. That is going very well.

We must have 40 different link-up projects currently underway to make the two organizations work more closely together.

The ultimate question, of course, is whether they should be merged or integrated into a single organization for greatest effectiveness.

Arguments can be made both for and against that. The Attorney General has my views and the views of others and has that problem under consideration.

The forfeiture provisions that were adopted in the last several sessions of Congress have been used very effectively and form one of the real linchpins in the drug effort. We have to get the drug cartels and that is where it hurts them. We must be able to seize their estates or anything that they have invested in as the result of illegal activity. Those seizures have gone up enormously, and with the additional legislation, we have been allowed to convert the proceeds of those seizures into money to fight drug trafficking, both at the Federal level and at the State and local level. We are now sharing those proceeds with State and local agencies, trying to build up their drug enforcement capability so that potentially we will not have to ask the Congress for as much additional funds as we might otherwise have to do by treating it as a purely Federal problem.

I am trying to encapsulate this. We are making progress and we have had record arrests, record convictions, and record seizures. We have a new national drug strategy which I will be happy to describe, an FBI strategy that will focus our resources now on the basis of four years' experience on those areas best calculated to break up the enterprises, and the distribution systems and keep the drugs out of mainstream America.

But we have not fully and adequately addressed the problem of drug prevention and abuse, that is, reducing the demand for drugs. When I look at where we are today and see all those achievements, yet still see the cost of cocaine lower than it was just a few years ago, this indicates that cocaine is in plentiful supply and consumption is going up, it doesn't make me feel any better that marijuana is going down and that heroin is not going up. Heroin is about the same and has a sort of definable user or consumers, because they die and so it is not getting to be a bigger pool. Cocaine represents our challenge today and tomorrow.

It is a challenge of the present and the future. I am not satisified that there has been enough education and enough effort put into reducing the demand for drugs. Until that happens, all our seizures are not going to make that much difference.

TRADITIONAL ROLE OF THE FBI IN REGARD TO DRUG ENFORCEMENT

Mr. SMITH. Has the traditional role of the FBI been changed by being in this drug effort?

Mr. WEBSTER. I don't believe it has. I believe it has been expanded to deal with drugs representing the violent crime and crimes that are caused as a result of drug trafficking.

Mr. SMITH. Has it diverted resources from other areas?

Mr. WEBSTER. Yes, it has. In all candor, it has, because in 1982 when we were asked to get into this we were not given additional funds at least initially. We worked these cases through the organized crime resources and teamed our investigative efforts at organized crime in drugs and financial crimes in drugs and public corruption in drugs. There is a lot of public corruption in drugs, police officers and municipal employees and so on.

I think that was an appropriate thing to do, but it meant that we could not generate as much energy against such other important targets as the relationship between organized crime and some corrupt labor unions. We are now moving in that direction because there has been backfilling of our organized crime program with the additional resources that have been given to us.

We have committed about 1,000 special agents out of the 9,000 or 9,100 that we have to the drug program. Measured by the workyears, it represents approximately 10 percent of our total field resources.

We are only funded for about 357 special agent workyears in the organized crime drug enforcement task forces, and in our general program we are funded for about 43 agent workyears, whereas we have used 504 agent workyears in the drug task forces and 515 agent workyears in the general program. So we are overburdened in this area.

But I do not think it has changed the character of the FBI's responsibilities or turned it into an entirely drug-related organization. We are carrying out our organized crime responsibilities, our white-collar crime responsibilities, all that within the context of drug investigations.

It is the number one crime problem in the United States. And the FBI is and should be a part of the solution.

APPOINTMENT OF WEBSTER AS CIA DIRECTOR

Mr. SMITH. Mr. Alexander?

Mr. ALEXANDER. Thank you, Judge, welcome. I congratulate you on your continued good work for the good of the order.

Mr. WEBSTER. I appreciate that.

Mr. ALEXANDER. I congratulate you on your new appointment and look forward to working with you in that regard as well.

Mr. WEBSTER. I do, too. Thank you.

Mr. ALEXANDER. I would like to ask a question off the record.

[Off of the record.]

[Back on the record.]

Mr. SMITH. Mr. Rogers?

Mr. ROGERS. Thank you, Mr. Chairman. Mr. Director, it is good to see you.

Mr. WEBSTER. Thank you.

Mr. ROGERS. Glad to see you at your old shop here. We congratulate you on your promotion with mixed feelings, because we regret your leaving the FBI. You have done an excellent job with that agency and it has been a difficult time.

Mr. WEBSTER. Thank you, sir.

OMB'S A-76 POLICY

Mr. ROGERS. And you have done it with great grace.

I want to talk to you about your personnel levels and the OMB A-76 policy for a minute or two. I remember the 1987 budget request included an increase of 469 general support positions, designated as a top priority, on the basis that the lack of adequate general support staffing for the investigative personnel caused problems in routine clerical functions. Then in your 1988 request, you included a reduction of 200 support workyears, based on management productivity initiatives. In view of that 1987 request, how is it possible to now take a 200 workyear reduction in 1988?

Mr. Webster. Well, it is not easy. It tends to exacerbate the problems that I identified in my opening statement, and stressed when I was here last year about the importance of building up our support personnel to adequately give the needed support to our agents in the field. This is part of the Administration's effort to identify kinds of work that could be better done in the private sector and we were assigned this reduction. Actually, we were assigned certain numbers of positions to identify, that could be better done in the private sector at a more effective price. The problem with it, and it continues to confuse me, although I have talked to Jim Miller and other about it in trying to better understand it, is that we identified those support positions which have been removed, but I have not seen any money to pay the private sector people who are going to do the work that was supposed to be done by these people more effectively on the private side. I have to confess my continued confusion on this particular one.

Mr. ROGERS. Well, OMB's A-76 policy ostensibly would require the agencies to contract-out activity which could be done less expensively than in-house; but I am wondering if you have any thoughts about whether or not that is an appropriate requirement for the FBI, in view of the confidentiality of a lot of your work?

Mr. WEBSTER. Well, some of it just can't be done that way. We did our best because we had a kind of quota to identify those areas where, if we were asked to take that quota, we could consider utilizing outside resources.

But I can't find the money to pay the outside resources. That is part of the problem.

This reduction represents, I think, the bottom line after we had negotiated away a number of other positions that they would have liked to cut but we simply couldn't take the additional A-76 cuts because of the security of our records.

OMB REDUCTIONS

Mr. ROGERS. What was your original personnel request to OMB for 1988?

MR. WEBSTER. Let's see.

MR. ROGERS. That is, compared to what you have submitted to us.

MR. WEBSTER. We asked for 399 more positions than OMB approved, of which 189 were for Special Agent positions and 210 were for support positions.

MR. ROGERS. All right.

MR. WEBSTER. Most of those reductions were in the organized crime and terrorism sections.

Mr. ROGERS. How many personnel did OMB reduce your request by?

MR. WEBSTER. 152 agent positions and 101 support positions in those programs.

MR. ROGERS. How much of that was supposed to be contracted out under A-76?

MR. WEBSTER. I don't know, but if those figures are available, I will supply them for the record.

[The information follows:]

OMB REDUCTIONS TO ORGANIZED CRIME AND TERRORISM PROGRAMS

Regarding the 152 agent positions and the 101 support positions reduced by OMB in the Organized Crime and Terrorism programs, none of these positions would have been contracted out under the A-76 program.

1988 DOJ AUTHORIZATION BILL REDUCTIONS FOR FBI

Mr. ROGERS. I understand that OMB may be the least of your worries since the Judiciary Subcommittee has reduced your request by another $200 million.

Mr. WEBSTER. I just learned about that today. That is more than the whole white-collar crime program or the whole organized crime program.

Mr. ROGERS. I gather that would do substantial injury to your program?

Mr. WEBSTER. Yes, it would.

OMB REDUCTIONS IN PRIORITY REQUESTS

Mr. ROGERS. What were the highest priority items which were not approved by OMB in your request?

Mr. WEBSTER. We had $2,225,000 for support to the intelligence community, consisting of money for rent and utilities associated with operational support provided by the FBI for intelligence collection efforts of another member of the intelligence community. We had $12 million budgeted for artificial intelligence, a very important program in the FBI. We had $6 million available in 1987, and we believed that we needed $12 million to continue this initiative.

I mentioned the reductions in organized crime, 69 agents, 49 support, $3,579,000.

In terrorism, 83 agents, 52 support, $3,622,000.

Those are the principal priorities.

ORGANIZED CRIME INFORMATION SYSTEM

Mr. ROGERS. You request an increase for Organized Crime Information System (OCIS) analysts and I wondered what workload increases would support that proposed increase in personnel?

Mr. WEBSTER. The principal reason that we need to expand our OCIS database, which was originally directed at traditional organized crime activities, has to do with our expanded responsibilities in drugs. Much of the data coming in has to do with organized crime and drug trafficking.

We are still having trouble getting the information into our system. Presently, only about 50 percent of the information is being processed into OCIS.

Mr. ROGERS. Is that because of a shortage of personnel?

Mr. WEBSTER. Yes.

Mr. ROGERS. You are asking for an additional 64 people to support that system. Would that solve the data and computer problems that you have had?

Mr. WEBSTER. "Solve" is a word I want to check with Mr. Bayse. We think it will cover it because we are in some 40 offices at the present time, including one terminal in Rome. We originally contemplated only 23 field offices for this database but it has been so valuable and so needed that we have expanded it into 40. There may be one more request in 1989 and for the present this is going to get us into them.

OTHER POTENTIAL REDUCTIONS

Mr. ROGERS. If you have to cut another $200 million below your request is this a place where you would have to cut?

Mr. WEBSTER. This is one of the obvious places where we would simply have to slow down and defer our progress.

Mr. ROGERS. I gather from your testimony that the information from these locations is extremely valuable in the organized crime effort in this country?

Mr. WEBSTER. Absolutely. If you just look at last year and this year, the convictions that have occurred within the past week in the Pizza case, the conviction of the top players in the national crime commission, which is at the very top of the organized crime hierarchy, major New York crime families, and other crime families throughout the country. We could not have done this, in my opinion, without the OCIS program.

INFORMANT PAYMENTS

Mr. ROGERS. Switching gears to informant payments for a second, do you know what the total funding requirement is for that program in the 1988 request?

Mr. WEBSTER. $5,631,000 was funded in 1986, and we spent some $7,398,000, or $1,767,000 over the funded amount, so we are requesting an increase of $2,592,000.

Mr. ROGERS. For informant payments?

Mr. WEBSTER. Yes.

Mr. ROGERS. And why is that running so much over your anticipated level in that year?

Mr. WEBSTER. I think the main problem is that we have always overspent, in other words, we have been overspending. Another way of saying it is we have not been funded up to the level of expenses and those expenditures have been growing with the kinds of organized crime and drug investigations that we are currently engaged in, and we are trying to realistically approach what our needs are rather than overspending what you have given us.

WITNESS SECURITY

Mr. ROGERS. You are requesting $750,000 for witness security. In addition, the U.S. Marshals requested 36 positions and $1.1 million for fiscal year 1988 for their witnesss security program. I wonder if you could briefly describe the differences between the U.S. Marshals' witness security and your programs and what is the relationship between the two?

Mr. WEBSTER. We are requesting $750,000 for witness security. We are the Marshal Service's biggest customer, and we sponsor about 120 individuals very year into their program. There is a period of time when the Marshals Service cannot take them. During the time necessary to get them into the program, the FBI has the responsibility for their safekeeping and for their safety, as well as for some of their activities in connection with trials, and there are some individuals who simply don't want to be in the Marshals Service for one reason or another. There are some who are simply too valuable as witnesses for the prosecution whom the prosecutors want us to take care of even though they won't go into the Witness Security Program. But most of the cost, I think, if we analyze it would be in the threshold period, trying to take care of them until the Marshals Service program accepts them.

Mr. ROGERS. Is the dual system working okay?

Mr. WEBSTER. Yes, working much better than it was a few years ago. The Marshals Service has made a lot of improvement in the quality of that program, and made it more platable to individuals who go into the program. That has helped us in selling the program and getting prople in—but many of the people we are using now are obvious candidates for assassination or injury or intimidation and must be protected.

Mr. ROGERS. Mr. Chairman. I have a few more questions but I will wait for the second round.

ENGINEERING RESEARCH FACILITY

Mr. SMITH. Mr. Dwyer?

Mr. DWYER. Good afternoon, Judge. Good to see you.

Mr. WEBSTER. Thank you.

Mr. DWYER. You are requesting $13 million for construction of a joint Engineering Research Facility. Would you tell us a little more about that, sir?

Mr. WEBSTER. I say joint, it is joint with the Drug Enforcement Administration.

Mr. DWYER. Yes.

Mr. WEBSTER. We do a great amount of engineering work to design special types of equipment and make it adaptable to modern forensic and investigative work, and some of that equipment is

highly classified and highly sensitive. It is also used in foreign counterintelligence capabilities.

In order to standardize the work of DEA and FBI and get cost benefits and increased efficiency both the FBI and the DEA recognize the advantage of bringing the two organizations together under one roof having a common engineering center. The two engineering groups and others reviewing it have identified new potentials and cababilities for various types of equipment that we can make better than off the shelf. We can make it cheaper in the preliminary test runs, and we can make it faster. For that reason the common location offers us some considerable advantages.

It is not creating empty space. We were already forced out of the FBI building for engineering facilities and are in a temporary location at the present time. DEA is faced with similar space problems.

So it is a matter of consolidating our programs in a way that launches us into a much healthier future in terms of the future capabilities both in our ability to design and use modern technology equipment and in our ability to get it done sooner and faster and cheaper.

Mr. DWYER. Aren't these efforts duplicative in other places in our government?

Mr. WEBSTER. They are really not. This type of research and development has to focus on out specific kinds of needs. We borrow a great deal from available technology and Mr. Bayse, who heads our office of Technical Services, and who has a long and wide experience in Defense and other areas and keeps track of the current state of the art. But this is not so much in basic research as it is in the adaptability of cutting edge technology for law enforcement.

Mr. DWYER. You would think that there are some other agencies in our government, be it the military or CIA, that might be dealing with the same type of equipment.

Mr. WEBSTER. They may be dealing with the same kind of engineering principles, but very rarely are they dealing with the same kind of equipment. For instance, I recall a few years ago we adopted photo-enhancing capabilities that the Navy was using in submarine work to improve our ability to enhance photographs taken in bank robberies and other situations of that kind, just for example.

It is that type of adaptability, plus certain kinds of surveillance equipment that no other military or civilian agency has a need for or involvement with.

Mr. DWYER. Well, given these times of fiscal constraints, you can understand why I ask the question.

Mr. WEBSTER. I certainly understand your asking it, and it is one that you would naturally look at because of the sizable number. I think it represents a potential savings in cost and keeps our ability to deal with modern crime at the cutting edge.

INTEGRATED DIGITAL VOICE PRIVACY

Mr. DWYER. You mentioned the disintegrated digital voice privacy radio system. I emphasize the word "privacy." Is there any system that you can develop that will guarantee privacy?

Mr. WEBSTER. Yes, when we talk about digital voice privacy we are talking about a system that is virtually impossible to decode on

line. You can take it and put it in a computer and some weeks later you know what was said. By that time, the tactical advantage of knowing what was said is of no value to our opponents. We have our secure voice telephone if that is the question, but it is very, very expensive and it is only available on a limited basis using crypto chips.

Mr. DWYER. I understand that. This system you speak of in your statement though, is that going to be developed by the private sector?

Mr. WEBSTER. Well, we have been using Motorola for most of those and it is off-the-shelf equipment.

Mr. DWYER. Off-the-shelf equipment?

Mr. BAYSE. Latest model commercially available equipment.

Mr. DWYER. You build in your own code then?

Mr. BAYSE. We generate our own crypto codes, yes, sir.

Mr. DWYER. I wanted to ask that question because I read a newspaper article when I was in Florida a few weeks back. There was a manufacturer of speed boats that was murdered and it turns out that they suspect he was murdered because he built some fast boats for narcotics traffickers and built faster boats for the Coast Guard. That was the insinuation in the newspaper, whether it is true or not, I don't know. It seems to me any commercial equipment that will be bought off-the-shelf—well, you answered the question with the coding on it.

Mr. WEBSTER. We have a very good relationship with the manufacturer and I don't imagine they are in any hurry to design a method to defeat their own program.

Mr. WEBSTER. Could we go off the record for purposes of discussion.

Mr. DWYER. By all means.

[Discussion off the record.]

[Back on the record.]

DOMESTIC TERRORISM

Mr. DWYER. Also, Judge, in your budget justification there is a statement made that domestic threats appear to be more imminent. I think you are talking about foreign terrorists and domestic terrorists, yet you think there is more threat from domestic than foreign terrorists, and the word "imminent" is used. I read an article where we expect a lot of problems, criminal and otherwise, from ethnic groups and crime groups. Would you comment on that?

Mr. WEBSTER. Well, there are a number of ethnic groups who have been active in this county. The Sikhs, for example, have been active and when they see an opportunity to cause a major event involving India, we are at risk at that point. We are able to get wind of that ahead of time and stop them. There are some Oriental crime groups. We have one group that I would not categorize as a crime group but it is a terrorist group which calls itself the Jewish Defense League. It has been active against anything Soviet or pro-Soviet, such as the Soviet missions or the Cuban missions, or anyone they believe has Nazi or anti-Semitic affiliations.

They have been repudiated by every reputable Jewish organization in the country, but they continue to support violent activity,

and they have killed people and have claimed credit for killing people such as Odeh on the West Coast, head of the Arab Anti-Defamation League.

These are generally the groups that come most readily to mind. We have, of course, our own problems with the Puerto Rican Independence Movement, which has been with us for some time. The Macheteros and other organizations function on the Island of Puerto Rico; primarily the FALN organization functions in this country. That is not exactly a racial group, but it is one based upon a segment of our society that is seeking independence from the United States.

I mentioned before you arrived that 17 incidents occurred last year, which is more than the seven the year before, but I don't think that is cause for major alarm. Ten of those incidents took place in Puerto Rico, five took place in Coeur d' Alene, Idaho, which you mentioned, and two in New York. We had only one person killed last year, but we did prevent some eight incidents from taking place that might have been substantially more life-threatening.

The real risk, and the real anxiety that I think our citizens are expressing, has to do with the Middle Eastern terrorism. They have seen it over there, they have seen our Marines blown up, they have seen hostages taken and they have seen other violent activity associated with a whole range of organizations, not a single organization, but a range of organizations, some of which are supported by governments, state-sponsored terrorism. Because of the fanaticism and apparent lack of value of human life, people are fearful that that could come to the United States. We have been able to prevent a couple of such incidents.

We have had no actual Middle East terrorist activity which was successful in the United States, but there are substantial infrastructures here which have been here for some time, student organizations and country organizations, and we are doing our best to keep very close track of those under our guidelines to see if there is any effort to utilize or manipulate those organizations in support of some future terrorist event.

BOMBINGS OF ABORTION CLINICS

Mr. DWYER. How about abortion clinics?

Mr. WEBSTER. We have not called those terrorist incidents by our own definition because although there have been numerous abortion clinic incidents, we have never found any that were related in a city-by-city thing. The man in Maryland who recently gave himself up may have carried out more than one in this area, but it was an individual without a group. It was not a terrorist organization. And while we don't include them in our statistics, I should like to emphasize that I have pledged the full resources of the FBI to Stephen Higgins, head of the Bureau of Alcohol, Tobacco and Firearms. I think they have made that particular problem as its number one priority, and given an enormous effort, with great success. They have solved over two-thirds of all of the known incidents, which also helps us to be sure that there are no groups

working the country because we are solving the cases and they are not groups.

Mr. DWYER. Thank you very much, Mr. Chairman.

INTEGRATED DIGITAL VOICE PRIVACY

Mr. SMITH. Mr. Mollohan?

Mr. MOLLOHAN. Thank you, Mr. Chairman.

Judge Webster, in your testimony, I understood you to say that you were pleased with the Voice Privacy Program, the progress of the voice privacy program, and also the integrated voice privacy project; is that correct?

Mr. WEBSTER. We are very pleased with the testbed experience we have had to date.

Mr. MOLLOHAN. The GAO just issued a report which I have here, as of February 1987, expressing some concerns about both of those programs. Could you reconcile the concerns expressed by the GAO with your test?

Mr. WEBSTER. Maybe Mr. Bayse, our Assistant Director in charge of the Technical Services Division should respond to that technical question.

Mr. BAYSE. We just received the report, and we are preparing a response to it and we have found some factual inaccuracies with the report and some incomplete analyses.

We reviewed the test data in Boston as recently as this week and it is satisfactory and we are working toward integration in the Northesst. Our digital voice privacy system is available to many of our field divisions, it has worked through the 1984 Olympics, through the special operations groups. We have had some difficulties in getting some of the installations done and getting sites for our transmitters and our repeaters. However, the system has so far been successful; it is used in operations every day, in probably about 30 of our offices. We are integrating with DEA and the Marshals in the system.

We are ready to go forward with it and we will respond to the GAO report officially.

Mr. WEBSTER. If I might add—I am not prepared to add to what Mr. Bayse has said about the technical aspect of it—but if I might add this, that in my experience I can think of nothing in terms of field needs that has aroused more interest and urgency through the years than to have a digital voice privacy system in place. The prospect of trying to handle a kindnaping drop, or a major foreign counter-intelligence event, or terrorist event, when so many other people for various reasons, good and bad, can overhear by simply carrying a Bearcat scanner around, has been a real problem in the field. I have traveled extensively throughout the field and been in cars with the digital voice privacy in effect and there is instant enthusiasm over the ability to conduct business without everybody listening in and knowing what your plans are.

Mr. MOLLOHAN. Its benefits are very apparent.

I understand that much of the equipment was off-the-shelf equipment. The GAO raises the concerns about cost overruns and delay of development. I wonder, if this is predominantly an off-the-shelf

request, why are you experiencing cost overruns and these significant delays?

Mr. WEBSTER. I think we probably better furnish you with a copy of our response with the technical information on it.

[The information follows:]

COST OVERRUNS IN THE DVP SYSTEM

The Technical Services Division is currently formulating a response to GAO concerns about cost overruns and delay of development regarding the digital voice privacy initiative. A copy of this response will be furnished to the Committee at a later date.

INTEGRATED DIGITAL VOICE PRIVACY

Mr. WEBSTER. Before we went to the one-shelf equipment, we did substantial research of our own. Largely because it was readily available, the shelf equipment was cheaper and we thought equally effective. Therefore, we decided that we did not want to engage in a major commitment of resources to something that was full of bugs. I have been under the impression there have been relatively few bugs in this.

Mr. BAYSE. That is correct. The problem has been in installing and implementing in a geographic area, and having to pay a premium to put towers or transmitters on top of a bank building or something. We would probably take exception to the report with regard to overruns in that some of the costs that have been incurred have been uncontrollables in the sense that we had to establish the system in pretty demanding environments like downtown Manhattan, and so forth. But we will give you a copy of our response to GAO.

Mr. MOLLOHAN. Thank you.

I would just like to commend you, Judge Webster, on your tenure at the FBI.

Mr. WEBSTER. Thank you.

Mr. MOLLOHAN. The job you have done with terrorism since you assumed that responsibility has been remarkable. The incidents are way down, the bombings are certainly way down. You have done a great job.

Mr. WEBSTER. I appreciate that. Thank you.

Mr. MOLLOHAN. I wish you the best of luck in your new position.

Mr. WEBSTER. Thank you.

Mr. MOLLOHAN. Thank you, Mr. Chairman.

TESTING OPERATIONS

Mr. SMITH. You have been involved with numerous stings, operations over your tenure, and, hopefully, you have had an opportunity to reflect on them. Would you care to comment on whether you ought to be involved in these sting operations, or whether the operations ought to be changed?

Mr. WEBSTER. I think I can make a few observations, Mr. Chairman. I continue to support them, they have a proper role in investigative activity. They are not a substitute for traditional techniques. They are to be used when ordinary techniques will not succeed.

This occurs primarily in so-called victimless crime situations, where it is difficult to obtain any kind of willing witness to give us information and we know that the crime is going on, such as in the pervasive corruption of the Judicial system in Chicago in Cook County, which resulted in a Greylord case, which I saw in yesterday's morning paper resulted in the 50th conviction, that has rendered enormous service to the citizens of Chicago in a problem area that no one knew how to deal with.

I think that we learned from our earlier experiences. Abscam cases, for example, have passed into history. As you know, all of the cases resulted in convictions and all the convictions were affirmed on appeal. We did not lose a single one.

Nevertheless, there were lessons to be learned there and we did learn them. One of those, I think, is that we review very carefully, the predication for any type of undercover activity directed against public officials, not relying upon rumor or allowing bounty hunters to go out and see who they can bring in.

I think that was a positive move and one that we recognize. We also realize from our experiences in that situation and in other cases, that a cooperating witness—that is, an individual who has most likely himself been corrupt or criminal—is not automatically born again because he comes to work for us and he has to be very carefully managed, and watched, and wherever possible, removed from the scenario as soon as he can help us establish our own credibility inside the organization, whether it is a terrorist organization or a drug organization or some corrupt political enterprise. The same principle applies.

We are very careful these days to keep that in mind. Now, those were our two primary areas of vulnerability.

The use of undercover operations has not been expanded. We have had about the same number of what we call "Group 1," or long-term investigations, for the past several years. We finish some and we start others.

Very early on after the Abscam cases had started, but before they were completed, I realized the need for a review group and I established an undercover activity review committee which consists of our experts in the Bureau and three or four members of the Department of Justice, who sit on that committee.

Long-term investigative stings, as you call them, and I think you mean the longer term rather than the fence and theft type operations——

Mr. SMITH. Well, both really.

Mr. WEBSTER. The longer ones that are sensitive, potentially sensitive and involve potential expenditures of funds, have to pass through a review process that includes the recommendation of the Special Agent-in-Charge in the field, the recommendation of the United States Attorney, who will have to prosecute the case, and the approval of the undercover activity review committee. In especially sensitive matters, proposed undercover operation has to come to me. At different levels we have them passed off, but the more sensitive ones I have an opportunity to review and I discuss these with corresponding officials in the Department of Justice. So I think we have been very careful about not taking cases that endanger the technique.

I put it that way because from the law enforcement view, I think it is a very important useful technique, one that the Congress could easily curtail or limit if it lost the confidence in our ability to manage it. So we are doing our best to manage it well.

PROBLEMS IN UNDERCOVER OPERATIONS

Mr. SMITH. There has been criticism of these stings and now that Abscam is over, people will begin to openly discuss it. They were afraid to discuss it before for fear you were trying to get on one side or the other. In any event, there were at least two sting operations where they tried to get somebody to commit a crime and they refused to do so.

Mr. WEBSTER. I would not characterize it the way you have. If you permit me to do so, I would argue just the opposite.

We were put in that position, in fact, I personally put into place two protective techniques. The first one was in the Abscam case, where we used corrupt middlemen and corrupt influence peddlers who were themselves under investigation and didn't know they were dealing with the FBI, and were ultimately indicated and prosecuted and put in prison. We were using them to trace their influence and see who they were using. The scenario called for the undercover agent, posing as a representative of a sheik, to deal with them and he was instructed to tell those middlemen that the sheik did not want to deal with any public official who did not want to do business with the sheik. In other words, the sheik was asking for favors for which he they would be paid in contravention of the law, and they had to know that the sheik was not going to sell them on doing anything, not bringing anybody to the representative who didn't want to engage in corrupt activity.

The second requirement, which was a fall-back position, in order to protect someone who might innocently be brought by a corrupt middleman who didn't follow those instructions, was that no money should pass until the public official made corrupt respresentations.

Mr. SMITH. Isn't there something wrong with ever having asked them to do something illegal when they were the type of people who wouldn't accept?

Mr. WEBSTER. We didn't ask them to. The influence peddlers apparently made the pitch and we recognize the risk of using one corrupt person to deal with another person who he says is corrupt.

I think that our track record through the years in that area has been very good. I can think of only the Delorean case, as the one where any jury has found any entrapment or improper inducement in any of the undercover cases. That one is not clear.

I didn't like that case particularly to begin with, because I think we failed to corroborate the cooperating witnesses' statements on the closed circuit television, which we could have done had we just simply anticipated that kind of a problem. But it is a pretty good track record for nine years to have had only one such case where entrapment was established.

Mr. SMITH. Well, you don't want to encourage somebody to commit a crime that they otherwise wouldn't have done.

Mr. WEBSTER. I certainly agree with that. As I say, predication is the way to deal with that. We focus heavily on the predication—that is, what are the occasions during which a person wants to engage in crime—before we go out to see whether that is true or not.

Mr. SMITH. Let's discuss the small time stings. I know when I was in a prosecutor's position, we had a few stings to look for who is buying stolen goods, but we always would pretend to have some stolen goods. Some of these recent stings have been the other way around. If you set up and say, I am buying, you will get people to go out and rob houses that they otherwise might not do. I just think you are working on the wrong end of that deal.

Mr. WEBSTER. The most effective stings in that area are the ones that are targeted at identifying the fences. If you can get rid of the fences, you won't have trouble with the other.

Mr. SMITH. Right. When you set yourself up as a fence and say, I am buying, then what you are doing is encouraging people to break into houses. People on drugs will go out and rob somebody, maybe kill somebody, to obtain the stolen goods they wouldn't normally get if there wasn't a market for it. I think you ought to work on the other end, to find out who buys it, by saying that you have the goods.

Mr. WEBSTER. I understand your position and that argument has been thoroughly ventilated in the courts. So long as we have the prejudice position rule, at least that technique is sanctioned by the law, you will have some potential stimulation of crime and you have to ask yourself whether or not that is not a cost you will be willing to pay to get the major players out of there. I recall giving a Rembrandt back to the Government of France that was recovered in Bolivia, that I don't think we would have gotten if we had not used that sting.

Mr. SMITH. There may be exceptions to the rule, but when you are dealing with people breaking into houses, I mean there are plenty of people out there who, if you encourage them to do it, they will do it. I know of one case, as told to me by a local law enforcement official where people broke into houses to steal goods they would not have otherwise done. They did it because they were told there was a market for this.

Mr. WEBSTER. The number of our undercover activities is relatively small and not vast and open to encourage people to come in and do business. I don't know whether I brought those figures with me or not.

INVOLVEMENT IN UNDERCOVER OPERATIONS

Mr. SMITH. I wonder, in view of all your personnel needs, if you ought to be involved in these things.

Mr. WEBSTER. We are not involved in that type of thing. I could use, for example, the undercover technique which resulted in the prevention of the assassination of Prime Minister Gandhi; the prevention of the assassination of President Suazo of the Republic of Honduras; the undercover operation that led to the convictions in the Bonnano family cases; the——

Mr. SMITH. You are dealing with a totally different level now with which nobody would argue.

Mr. WEBSTER. Then I think the Greylord cases are worth your review, simply because this was a situation in which we had reviewed predications and found we were right. We tried to persuade no judge. The judges were already on the take. We had no evidence, other than by simulating the situation in which they had already been functioning, so that we could get believable evidence. In many of those cases, they set their own prices. They clearly laid out what they wanted and it wasn't a question of introducing somebody to crime. They were already there.

Our criminal undercover operations for the fiscal years 1982 to 1986, if I could add these to the record, range from 262 investigations in 1982 to 179 in 1986. This is not a take-over program, from our point of view. At the same time, the number of convictions resulting from those undercover operations went from 680 in 1982 to 1,364 in 1986. It is a good track record in terms of control, used for specific purposes, and very important results.

[The information follows:]

U.S. Department of Justice

Federal Bureau of Investigation

Washington, D.C. 20535

NARRATIVE DETAIL AND SUPPORTING STATEMENT

Fiscal Year 1988 Appropriations Request
Federal Bureau of Investigation

The following exhibits and narratives describe the funding requested for Fiscal Year 1988 and provide comparisons of this request with those of previous years. For 1988, the FBI is requesting a total funding of $1,484,421,000, 22,974 permanent positions, and 22,267 direct workyears. This request represents a net increase of $75,775,000, 718 positions, and 494 workyears over the base level for 1988.

LIST OF EXHIBITS

Exhibit No.	Title
1	Comparison of Personnel and Funds Required, 1987 vs. 1988
2	Summary of Adjustments to Base, FY 1988
3	Chart: Funding Request by Classification, FY 1988
4	Chart: FBI Appropriations, FYs 1979 - 1988
5	Chart: FBI Direct Funded Workyears, FYs 1979 - 1988
6	Equal Employment Opportunity within the FBI
7	Table: Recruitment of Minorities and Women
8	Organization of the FBI
9	Chart: Organization of the FBI
10	Foreign Liaison - Legal Attaches Program
11	Chart: FBI Foreign Liaison Operations
12	Investigative Programs
13	Chart: FY 1986 Direct Funding Usage of Agent Workyears in Field Programs
14	Organized Crime Investigations
15	Table: Agent Time Spent by Major Category of Organized Crime Investigations: FYs 1982 - 1986
16	Chart: Agent Time Spent by Major Category of Organized Crime Investigations, FY 1986
17	Chart: Organized Crime Convictions, FYs 1982 - 1986
18	Drug Investigations
19	Table: Agent Time Spent by Major Category of Drug Investigations, FYs 1982 - 1986
20	Chart: Agent Time Spent by Major Category of Drug Investigations, FY 1986
21	Chart: Drug Investigations Convictions, FYs 1982 - 1986

Exhibit No.	Title
22	White-Collar Crime Investigations
23	Table: Agent Time Spent by Major Category of White-Collar Crime Investigations, FYs 1982 - 1986
24	Chart: Agent Time Spent by Major Category of White-Collar Crime Investigations, FY 1986
25	Chart: White-Collar Crime Convictions, FYs 1982 - 1986
26	Foreign Counterintelligence Investigations
27	Domestic Terrorism Investigations
28	Personal Crimes Investigations
29	Table: Agent Time Spent by Major Category of Personal Crimes Investigations, FYs 1982 - 1986
30	Chart: Agent Time Spent by Major Category of Personal Crimes Investigations, FY 1986
31	Chart: Personal Crimes Convictions, FYs 1982 - 1986
32	Fugitive Investigations
33	Table: Agent Time Spent by Major Category of Fugitive Investigations, FYs 1982 - 1986
34	Chart: Agent Time Spent by Major Category of Fugitive Investigations, FY 1986
35	Chart: Unlawful Flight and Other Fugitives Arrested by the FBI, FYs 1982 - 1986
36	General Government Crimes Investigations
37	Table: Agent Time Spent by Major Category of General Government Crimes Investigations, FYs 1982 - 1986
38	Chart: Agent Time Spent by Major Category of General Government Crimes Investigations, FY 1986
39	Chart: General Government Crimes Convictions, FYs 1982 - 1986

Exhibit No.	Title
40	General Property Crimes Investigations
41	Table: Agent Time Spent by Major Category of General Property Crimes Investigations, FYs 1982 - 1986
42	Chart: Agent Time Spent by Major Category of General Property Crimes Investigations, FY 1986
43	Chart: General Property Crimes Convictions, FYs 1982 - 1986
44	Civil Rights Investigations
45	Chart: Agent Time Spent by Major Category of Civil Rights Investigations, FY 1986
46	Chart: Civil Rights Convictions, FYs 1982 - 1986
47	Criminal Informant Program
48	Criminal Undercover Operations
49	Chart: Criminal Undercover Operations, FYs 1982 - 1986
50	Chart: Criminal Undercover Operations Convictions, FYs 1982 - 1986
51	Applicant Investigations for Other Federal Agencies
52	Chart: Background Investigations for Other Federal Agencies, FYs 1982 - 1986
53	Investigative Support and State and Local Assistance
54	Training Programs
55	Laboratory Services
56	Chart: FBI Laboratory Examinations for Federal, State, and Local Agencies, FYs 1982 - 1988
57	Chart: FBI Laboratory Assistance to Non-Federal Law Enforcement Agencies, FY 1986

72-165 O—87——60

Exhibit No.	Title
58	Fingerprint Identification
59	Chart: Fingerprint Receipts, FYs 1982 - 1988
60	Chart: Number of Fingerprint Cards on File
61	Records Management Program
62	Chart: FBIHQ Indices Conversion
63	Automated Data Processing and Telecommunications Operations
64	Chart: Computer Center Resources Distribution, FY 1986
65	Chart: Professional ADP Personnel Utilization, FY 1986
66	Chart: Field Office Computer Workstation Installations, FYs 1982 - 1988
67	National Crime Information Center
68	Chart: NCIC Transactions, FYs 1982 - 1986
69	Chart: Breakdown of Records in NCIC Computer
70	Uniform Crime Reporting Program
71	Chart: Crime in the United States, Calendar Year 1985 vs. 1981
72	Program Direction
73	Administrative Services
74	Chart: Special Agents Hired, FYs 1982 -1986
75	Chart: Drug Enforcement Administration Applicant Cases Processed, FYs 1982 - 1986

COMPARISON OF PERSONNEL AND FUNDS REQUIRED
FY 1987 vs. FY 1988

	Fiscal Year 1987	Fiscal Year 1988	Increase/ (Decrease)
PERSONNEL (FULL-YEAR EMPLOYEES):			
FBI Headquarters			
Special Agents.....	848	860	12
Support Personnel.....	6,728	6,653	(75)
Total (FBIHQ).....	7,576	7,513	(63)
Field:			
Special Agents.....	8,428	8,610	182
Support Personnel.....	5,827	6,144	317
Total (Field).....	14,255	14,754	499
Total:			
Special Agents.....	9,276	9,470	194
Support Employees.....	12,555	12,797	242
Total (FBIHQ & Field).....	21,831	22,267	436
FUNDS:			
PERSONNEL COMPENSATION.	$706,761,000	$744,758,000	$37,997,000
OTHER EXPENSES-			
Personnel Benefits....	132,492,000	197,039,000	64,547,000
Benefits to Former Personnel.....	361,000	361,000	---
Travel & Transportation of Persons.	29,110,000	35,519,000	6,409,000
Transportation of Things.....	7,472,000	8,128,000	656,000
GSA Rent.....	69,501,000	85,004,000	15,503,000
Communications, Utilities, & Other Rent.....	56,376,000	63,023,000	6,647,000
Printing & Reproduction.....	2,391,000	2,473,000	82,000
Other Services.....	97,545,000	103,720,000	6,175,000
Supplies & Materials..	34,951,000	37,483,000	2,532,000
Equipment.....	166,599,000	193,333,000	26,734,000
Lands & Structures....	---	13,150,000	13,150,000
Insurance Claims & Indemnities.....	360,000	360,000	---
Unvouchered.....	70,000	70,000	---
Subtotal, Other Expenses.....	$597,228,000	$739,663,000	$142,435,000
TOTAL, ALL EXPENSES.....	$1,303,989,000	$1,484,421,000	$180,432,000

EXHIBIT NO. 1

SUMMARY OF ADJUSTMENTS TO BASE
FY 1988
(Dollars in thousands)

	Budget Authority
1987 anticipated	$1,303,989
Adjustments to base:	
Savings resulting from management initiatives	-2,000
Uncontrollable increases-	
One additional compensable day	$2,923
Annualization of 142 additional positions approved in 1987	3,558
Annualization of FERS	58,029
Annualization of 1987 pay increase	18,692
Within-Grade Increases	6,425
Medicare Costs	234
Locality based per diem	3,000
Federal Employees' Compensation Act (FECA - Workers Compensation)	959
GSA Rent	14,472
GSA recurring reimbursable services	351
FTS	185
Telephone Service	1,000
GPO printing costs	44
General pricing level adjustment	11,676
Total uncontrollable increases	$121,548
Decreases-	
Nonrecurring costs - reappropriation	-$5,686
Reduction for change in hourly rate	-1,697
Reduction in health benefits	-1,508
Nonrecurring costs - artificial intelligence	-6,000
Total decreases	-$14,891
Total net adjustments to Base	$104,657
1988 Base	$1,408,646

EXHIBIT NO. 2

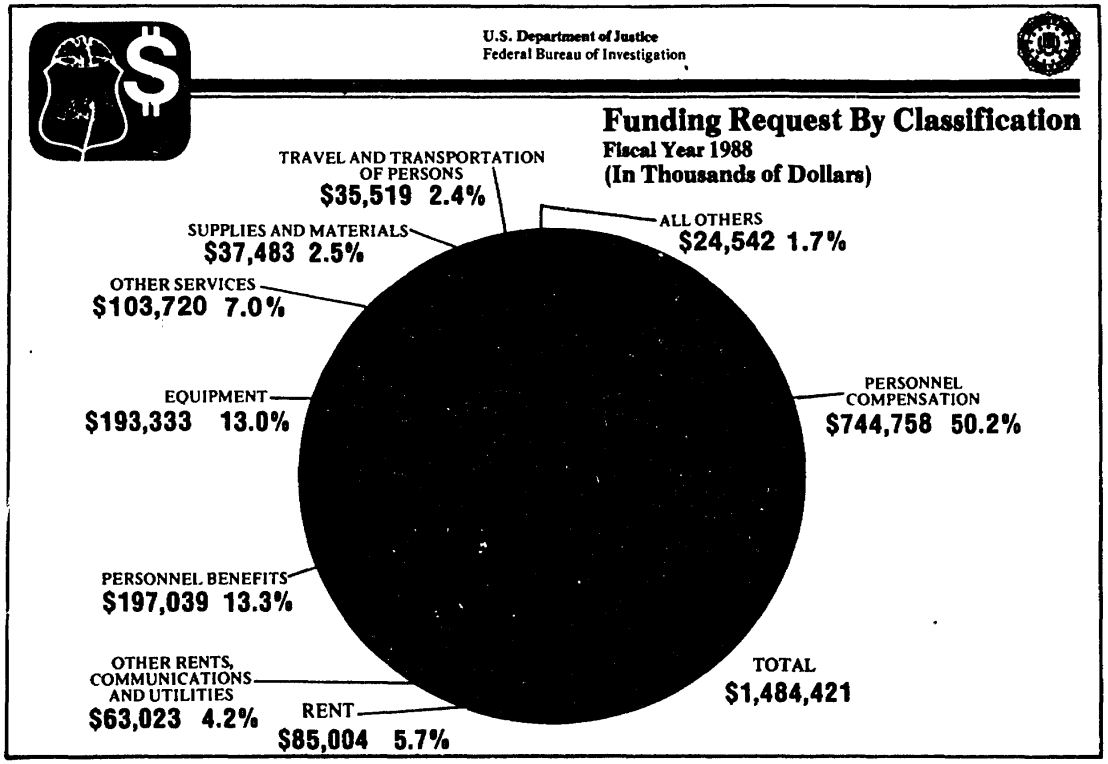

U.S. Department of Justice
Federal Bureau of Investigation
Funding Request By Classification
Fiscal Year 1988
(In Thousands of Dollars)
TRAVEL AND TRANSPORTATION OF PERSONS
$35,519 2.4%
ALL OTHERS
$24,542 1.7%
SUPPLIES AND MATERIALS
$37,483 2.5%
OTHER SERVICES
$103,720 7.0%
EQUIPMENT
$193,333 13.0%
PERSONNEL COMPENSATION
$744,758 50.2%
PERSONNEL BENEFITS
$197,039 13.3%
OTHER RENTS, COMMUNICATIONS AND UTILITIES
$63,023 4.2%
RENT
$85,004 5.7%
TOTAL
$1,484,421

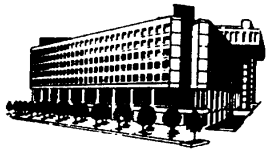
EXHIBIT NO. 3

U.S. Department of Justice
Federal Bureau of Investigation

FBI APPROPRIATIONS

IN MILLIONS OF DOLLARS

FISCAL YEARS
1979 - 1988



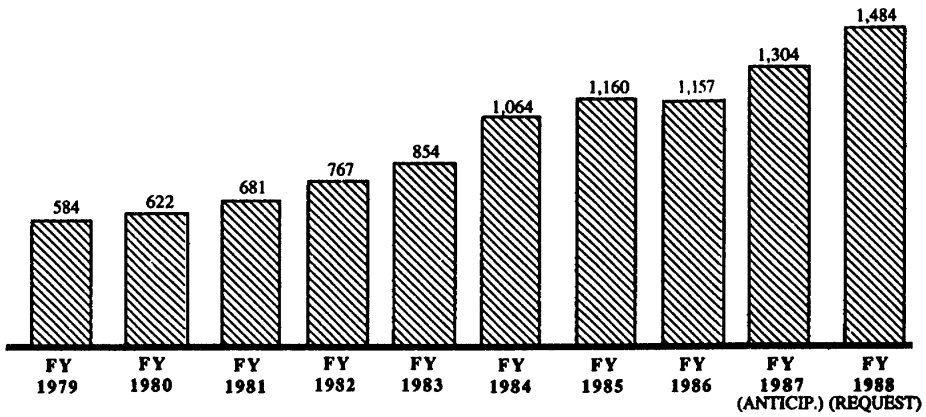


EXHIBIT NO. 4

1984

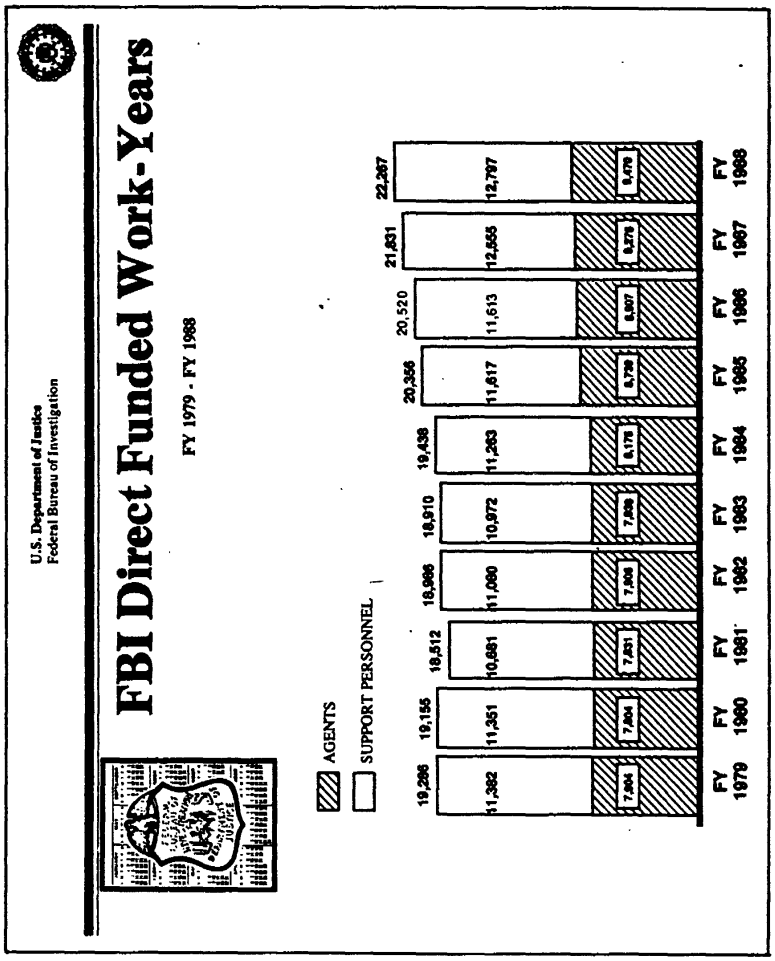

U.S. Department of Justice
Federal Bureau of Investigation
FBI Direct Funded Work-Years
FY 1979 - FY 1988
AGENTS
SUPPORT PERSONNEL
19,206
18,155
18,512
18,966
19,910
19,438
20,356
20,520
21,831
22,267
11,382
11,351
10,681
11,060
10,972
11,283
11,617
11,613
12,555
12,797
7,824
7,804
7,831
7,906
7,938
8,175
8,739
8,907
9,276
9,470
FY 1979
FY 1980
FY 1981
FY 1982
FY 1983
FY 1984
FY 1985
FY 1986
FY 1987
FY 1988

EXHIBIT NO. 5

EQUAL EMPLOYMENT OPPORTUNITY WITHIN THE FBI

Equal Employment Opportunity (EEO) within the FBI encompasses several areas of responsibility. Through the Complaints Processing System every effort is made to properly handle complaints within Federal guidelines and resolve informally as many issues as feasible. Additionally, EEO Staff personnel promote awareness of the complaints system and the EEO process through lectures to new employees, selected in-service sessions, and annual division conferences. Special Emphasis Program Managers work to provide appropriate programs through which protected classes may participate in nationally acclaimed observances such as Hispanic Heritage Week and Black History Month.

The FBI is continuing its efforts to increase the number of women and minorities in its employ with particular emphasis on the Special Agent position. The following exhibit presents a profile of the FBI's work force by sex and race along with an indication of increases made among the Special Agent population since February 1978.

EXHIBIT NO. 6

RECRUITMENT OF MINORITIES AND WOMEN

Minority and Women Special Agents as of 12/31/86

				Since 2/28/78	
	Field	FBIHQ	Total	Gain/ (Loss)	Percent Increase/ (Decrease)
Black	338	23	361	+217	+151%
Hispanic	346	17	363	+208	+134%
American Indian	33	5	38	+23	+153%
Asian American	96	5	101	+67	+197%
Women	669	30	699	+605	+644%

Percentage of Minority and Women Special Agents as of 12/31/86

	Number of Men	Percent of Total	Number of Women	Percent of Total	Total	Percent of Total
White	7,597	90.8%	609	87.1%	8,206	90.5%
Black	314	3.8%	47	6.7%	361	4.0%
Hispanic	330	3.9%	33	4.7%	363	4.0%
American Indian	34	0.4%	4	0.6%	38	0.4%
Asian American	95	1.1%	6	0.9%	101	1.1%
Totals	8,370	100.0%	699	100.0%	9,069	100.0%
All Minorities	773	9.2%	90	12.9%	863	9.5%

Number and Percentage of Minority and Women Support Personnel

	Number	Percent
Men	3,658	29.1%
Women	8,917	70.9%
Total Support Personnel	12,575	100.0%
Black	3,877	30.8%
Hispanic	317	2.5%
American Indian	19	0.2%
Asian American	152	1.2%
Total Minority	4,365	34.7%

EXHIBIT NO. 7

ORGANIZATION OF THE FBI

THE FBI IS A FIELD-ORIENTED ORGANIZATION IN WHICH TEN DIVISIONS AT FBI HEADQUARTERS PROVIDE PROGRAM DIRECTION, SUPPORT SERVICES, AND COORDINATION TO 59 FIELD OFFICES, APPROXIMATELY 400 RESIDENT AGENCIES, AND 13 FOREIGN LIAISON POSTS. EACH FIELD OFFICE, EXCEPT NEW YORK, WHICH IS HEADED BY AN ASSISTANT DIRECTOR, HAS A SPECIAL AGENT IN CHARGE WHO IS RESPONSIBLE FOR ALLOCATING PERSONNEL AND OTHER RESOURCES TO HANDLE EFFECTIVELY ALL FBI MATTERS WITHIN ITS GEOGRAPHICAL TERRITORY. AGENTS AT LIAISON POSTS ABROAD ACT AS A LIAISON IN CONNECTION WITH CRIMINAL AND OTHER MATTERS WITHIN THE FBI'S JURISDICTION. OF THE TOTAL AMOUNT REQUESTED BY THE FBI FOR 1988, 65.7 PERCENT, OR $975,471,000, IS FOR FIELD INVESTIGATIVE OPERATIONS AND THEIR COORDINATING ELEMENTS. THIS DOES NOT INCLUDE HEADQUARTERS SUPPORT, SUCH AS ADP OPERATIONS, EXECUTIVE DIRECTION, ADMINISTRATIVE SERVICES, RECORDS MANAGEMENT AND TECHNICAL FIELD SUPPORT AND EQUIPMENT FUNDING, AMONG OTHERS, ALL OF WHICH COMPLEMENT BOTH FIELD AND HEADQUARTERS ACTIVITIES.

EXHIBITS FOLLOW THAT SHOW THE ORGANIZATION OF THE FBI AND THE LOCATION OF FIELD OFFICES, THE LOCATION OF FOREIGN LIAISON POSTS, AND ADDITIONAL INFORMATION REGARDING THE LEGAL ATTACHES PROGRAM.

EXHIBIT NO. 8

U.S. Department of Justice
Federal Bureau of Investigation

Organization of the FBI

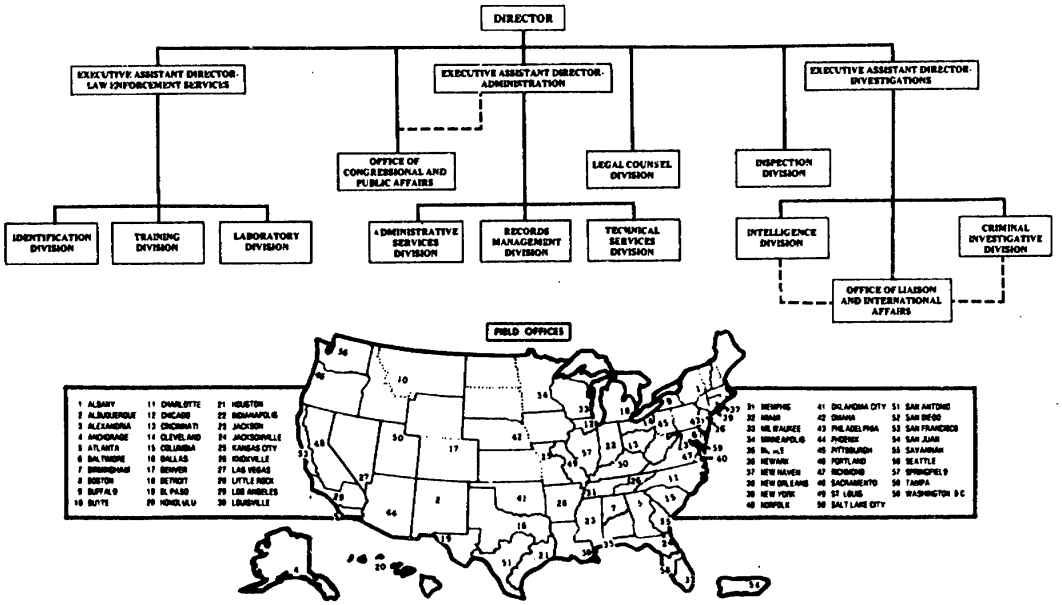


EXHIBIT NO. — 2

1899

FOREIGN LIAISON - LEGAL ATTACHES PROGRAM

The Legal Attaches Program is designed to provide a continuing and prompt exchange of information and assistance with foreign law enforcement and other agencies in order to insure that the responsibilities of the FBI are met. The FBI will assist cooperative foreign agencies with their legitimate and lawful investigative interests in the United States.

For over 35 years the FBI has maintained posts abroad known as legal attache offices. There are currently 13 posts covering more than 80 countries, enabling the FBI's 59 field offices and Headquarters to receive a constant and prompt exchange of criminal and other information. Legal attaches develop and maintain close liaison with relevant and duly authorized law enforcement and other agencies of the countries covered to insure that the FBI's statutory investigative responsibilities are met in a timely and professional manner.

Prior to assigning FBI personnel to foreign countries, the concurrence of the United States Ambassador and the Foreign ministry of the host government must be obtained. The United States Department of State provides office space and other administrative support for the program on a reimbursable basis.

EXHIBIT NO. 10

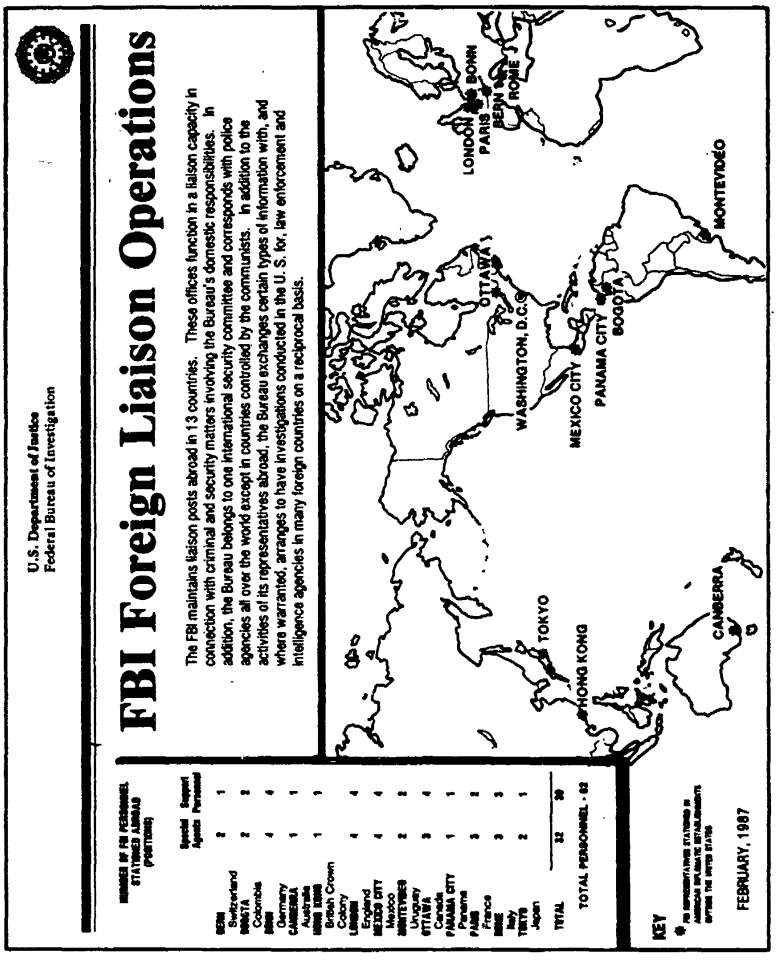


EXHIBIT NO. 11

INVESTIGATIVE PROGRAMS

THE FBI'S PRINCIPAL BUDGET ACTIVITY IS CRIMINAL, SECURITY, AND OTHER INVESTIGATIONS. THIS BUDGET ACTIVITY INCLUDES RESOURCES FOR MANAGING AND COORDINATING FIELD INVESTIGATIONS AND RESOURCES FOR ALL FIELD INVESTIGATIVE OPERATIONS. FIELD OFFICES ARE RESPONSIBLE FOR ALL INVESTIGATIONS, INCLUDING THE NATIONAL PRIORITY LAW ENFORCEMENT AREAS OF ORGANIZED CRIME, WHITE-COLLAR CRIME, FOREIGN COUNTERINTELLIGENCE, AND TERRORISM. THIS BUDGET ACTIVITY WILL REQUIRE 15,796 POSITIONS AND $975,471,000 IN 1988 TO EFFECTIVELY CARRY OUT THE FBI'S INVESTIGATIVE MISSION. PROGRAM INCREASES ARE BEING REQUESTED IN THE AREAS OF: ORGANIZED CRIME, TO FOCUS ON THE LA COSA NOSTRA'S CRIMINAL CONTROL AND DOMINATION OF FOUR MAJOR NATIONAL AND INTERNATIONAL UNIONS; ORGANIZED CRIME DRUG ENFORCEMENT, TO ENHANCE COOPERATIVE EFFORTS AGAINST DRUG TRAFFICKING ENTERPRISES; AND WHITE-COLLAR CRIME, TO ADDRESS A GROWING NUMBER OF DEPARTMENT OF DEFENSE PROCUREMENT FRAUD AND BANK FAILURE FRAUD CASES, AMONG OTHERS.

THE FOLLOWING INFORMATION AND EXHIBITS SHOW AGENT WORK-YEAR USE IN MAJOR INVESTIGATIVE PROGRAMS DURING 1986 AND DESCRIBE ACTIVITIES WITHIN THESE AREAS.

EXHIBIT NO. 12

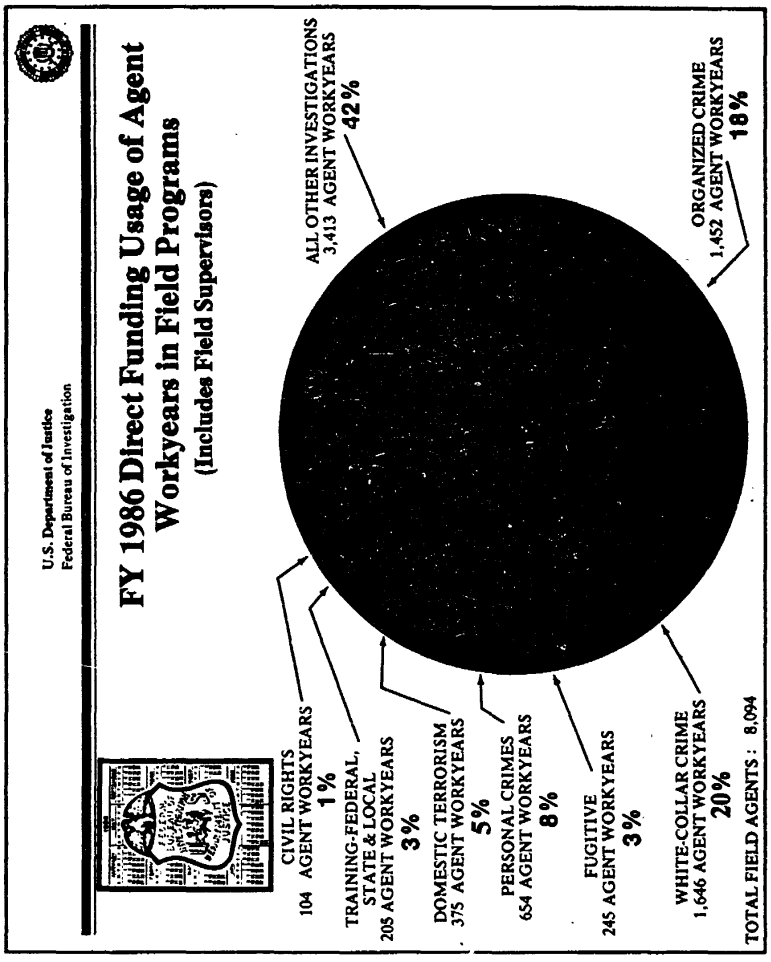


EXHIBIT NO. 13

ORGANIZED CRIME INVESTIGATIONS

The FBI's Organized Crime Program has as its goal the reduction of the sphere of influence that organized criminal groups exert over the citizens of the United States and to eliminate the adverse affect which results from that influence. This will be accomplished through an investigative program that approaches this problem in a systematic, coordinated and sustained manner.

Two of the primary objectives of the FBI's Organized Crime Program are (1) the determination of the extent of influence and control the LCN has established within the legitimate labor community in the United States and (2) the penetration of the hierarchy of the La Cosa Nostra by identifying the leadership and membership of the 25 LCN families. Funding for the Organized Crime Program will enable the FBI to pursue an aggressive and successful labor racketeering program that will remove the LCN's control of labor organizations and have a lasting and positive impact upon the nation's economy.

The unprecedented investigative and prosecutive successes against the LCN in recent years can be attributed to the evolution of the Enterprise Theory of Investigation. Experience has shown that prosecution of individuals for specific criminal acts has had little effect on the overall criminal organization. The Enterprise Theory of Investigation requires separate investigations conducted against individual members of a specific group or family be combined for prosecution, using both the criminal and civil provisions of the Racketeer Influenced and Corrupt Organization statute, commonly known as RICO. Under this approach the group or family is named as an enterprise. Convictions on this basis result not only in significant periods of incarceration, but provide for the seizure of assets accumulated by the enterprise through its illegal activity, and can prohibit members of the enterprise from associating with corrupted labor unions, infiltrated businesses, compromised institutions, or even with other members.

The recent prosecutions, resulting primarily from independent investigations directed at the hierarchy of the five New York LCN families and the "LCN Commission," the governing body of these LCN criminal enterprises, have exposed the LCN's corrupting influence within the International Brotherhood of Teamsters, the Laborers International Union of North America, the Hotel and Restaurant Employee's Union and the International Longshoreman's Association. The evidence presented in these cases has demonstrated that the LCN's influence in labor unions allows for the disruption of the competitive free market in various industries such as construction, trucking, air freight, and the cement industry.

Investigative and prosecutive successes have also confirmed a nationwide organized crime influence in many

EXHIBIT NO. 14

industries through local or national control of labor unions. The FBI intends to expand the use of the Enterprise Theory of Investigation to focus resources on these industries. The investigative strategy used by the FBI directed at the LCN influence in certain industries through labor union control has been refined through application. The criminal problem has been exposed and now will be addressed, not only in other affected industries in the northeast, but in every major commercial market in the nation. Several national and regional initiatives are already underway to expand this effort.

The Organized Crime Information System (OCIS) is an integral part of the FBI's Organized Crime Program. OCIS is being implemented in additional field locations, allowing the FBI to further enhance its organized crime intelligence gathering capabilities through the use of a computer based network. The primary objective of OCIS is to improve the FBI's ability to collect, collate, analyze, and use available investigative data in furtherance of successful prosecution of organized criminal groups. Funding dedicated to the Organized Crime Program enables continued implementation of OCIS and provides FBI field offices analytical support personnel to operate the system.

• Organized Crime Program Accomplishments

As a result of a prosecution in New York of the leader of the Colombo LCN family, a civil complaint was filed charging 31 defendants with controlling a labor organization through a pattern of racketeering activities. This was the first civil action filed against an LCN family as an enterprise and the labor organizations they influence and control. Additional civil filings will be pursued as the criminal cases are adjudicated.

In addition, investigative efforts of the FBI's Organized Crime Program resulted in 612 convictions in 1986. Included in these convictions are a significant number of LCN members and their associates, union members, and public officials. Additionally, over $5,250,000 in fines were levied against convicted individuals; in excess of $18,747,000 in recoveries and restitutions were obtained; and over $120,263,000 in potential economic losses were prevented. A total of 829 indictments were recorded as a result of investigations in the program.

Following are exhibits showing agent time spent by major category of Organized Crime investigations and convictions obtained in Federal court.

AGENT TIME SPENT BY MAJOR CATEGORY OF
ORGANIZED CRIME INVESTIGATIONS
FISCAL YEARS 1982 - 1986
(Includes Field Supervisors)

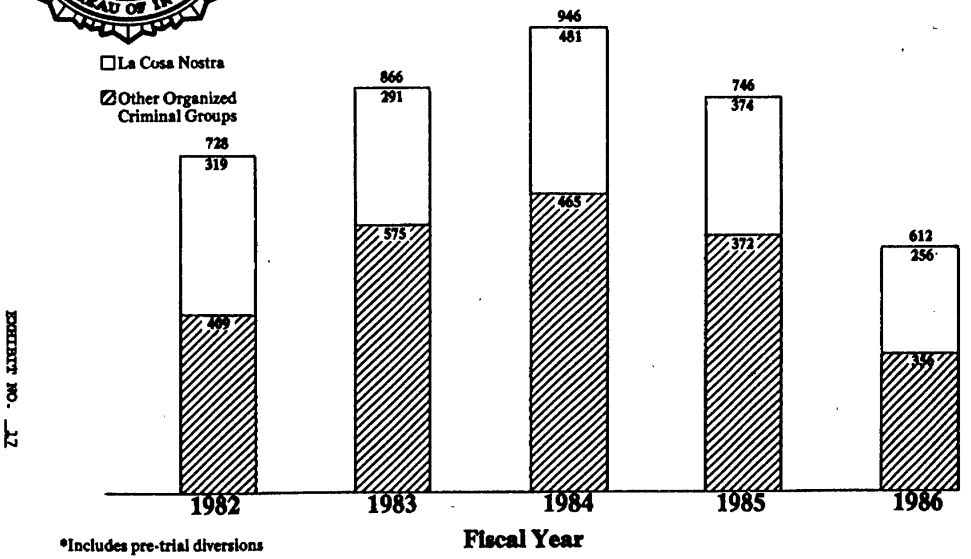
	1982			1983			1984			1985			1986		
MAJOR CATEGORY	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL
La Cosa Nostra	851	62.8%	11.0%	684	62.5%	8.8%	739	67.1%	9.1%	660	71.0%	7.6%	713	76.3%	8.0%
Other Organized Criminal Groups	504	37.2%	6.5%	410	37.5%	5.3%	363	32.9%	4.4%	269	29.0%	3.1%	222	23.7%	2.5%
Total	1,355	100.0%	17.5%	1,094	100.0%	14.1%	1,102	100.0%	13.5%	929	100.0%	10.7%	935	100.0%	10.5%

EXHIBIT NO. 15

EXHIBIT NO. 16

U.S. Department of Justice
Federal Bureau of Investigation

Organized Crime Program Convictions In Federal Court* Fiscal Years 1982—1986



*Includes pre-trial diversions

EXHIBIT NO. 42

1908

DRUG INVESTIGATIONS
(Organized Crime Program and Organized Crime Drug Enforcement Task Forces)

The single most significant crime problem facing American society today is the illegal importation, distribution, and use of narcotics. This evaluation is shared at all levels of government including the White House, Congress, Law Enforcement Officials and, according to national surveys, by the majority of the citizens in the United States. Statistics, White House directives, media coverage, public testimony, and congressional oversight committees clearly support this evaluation. In 1982, the FBI received concurrent jurisdiction to investigate violations of the criminal drug laws of the United States.

In 1986, as a result of experience gained since 1982 and based on a comprehensive study of the intelligence gathered during the previous four years, the FBI redefined its National Drug Strategy. This new strategy is intended to more clearly focus the FBI's investigative resources on those organized crime groups controlling significant segments of the illegal drug and narcotics markets. The FBI, in close coordination with the Drug Enforcement Administration, will endeavor to reduce the incidence of illegal drug trafficking, and other criminal activity which drug trafficking generates, through investigations designed to dismantle the organizations involved in the distribution of cocaine and heroin, and seize their illegal profits through forfeiture proceedings. Several of the major organizations already identified include Colombian and other South American cocaine cartels, Mexican heroin and cocaine networks, and Sicilian Mafia drug trafficking networks.

While the FBI's investigative authority is limited to the United States and its possessions, the FBI maintains close liaison with law enforcement agencies of foreign governments in order to establish and follow through with a coordinated effort against the activities of organized crime figures. A number of major investigations have shown close links between the LCN in our country and the Italian Mafia in Sicily. These investigations are centered on the importation of huge quantities of heroin into the United States as well as the laundering of millions of dollars of drug generated funds.

Close cooperation has been established with Italian Law Enforcement officials and new initiatives are underway with the Japanese Government concerning the Oriental crime groups. The feasibility of exchanging timely intelligence information with Japanese authorities is being reviewed. A formal meeting between both countries will be held in early 1987.

As with the Organized Crime Program, the Organized Crime Information System (OCIS) is an integral part of the FBI's drug investigation efforts. OCIS was originally intended to be implemented in the 23 field offices which had an LCN family or

significant LCN activity. However, as the FBI's responsibilities and commitment in the area of drug investigations have increased, so have the demands placed on OCIS. Plans now call for virtually all field office locations to have access to OCIS. This will allow the FBI to further enhance its drug intelligence gathering capabilities through the use of a computer based network by improving the FBI's ability to collect, collate, and analyze available investigative data. Funding dedicated to the Drug Program enables continued implementation of OCIS and provides FBI field offices analytical support personnel to operate the system.

o Drug Investigations Accomplishments

During 1986, investigative efforts resulted in 2,799 convictions. Included in these convictions are LCN members and their associates and members and associates of the major drug trafficking groups identified in the FBI's National Drug Strategy: Colombian cartels, Mexican networks, and Sicilian Mafia networks. Additionally, over $16,117,000 in fines were levied against convicted individuals; in excess of $8,612,000 in recoveries and restitutions were obtained; and over $2,930,000 in potential economic losses were prevented.

AGENT TIME SPENT BY MAJOR CATEGORY OF
DRUG INVESTIGATIONS
FISCAL YEARS 1982 - 1986
(Includes Field Supervisors)

	1982			1983			1984			1985			1986		
MAJOR CATEGORY	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL
Drugs	154	100.0%	2.0%	520	74.0%	6.7%	565	63.8%	6.9%	541	50.1%	6.2%	517	50.6%	5.8%
OCDETF*	...	...	...	183	26.0%	2.3%	321	36.2%	3.9%	538	49.9%	6.2%	504	49.4%	5.7%
Total	154	100.0%	2.0%	703	100.0%	9.0%	886	100.0%	10.8%	1,079	100.0%	12.4%	1,021	100.0%	11.5%

* Organized Crime Drug Enforcement Task Force (OCDETF) became operational in 1983.

EXHIBIT NO. 19

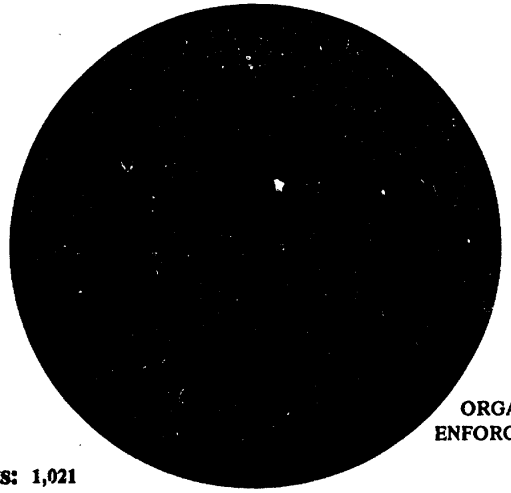
1911

U.S. Department of Justice
Federal Bureau of Investigation

Agent Time Spent By Major Category Of Drug Investigations

FISCAL YEAR 1986

(Includes Field Supervisors)



DRUGS
51%
517 AGENTS

ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCE
49%
504 AGENTS

Total Field Agents: 1,021

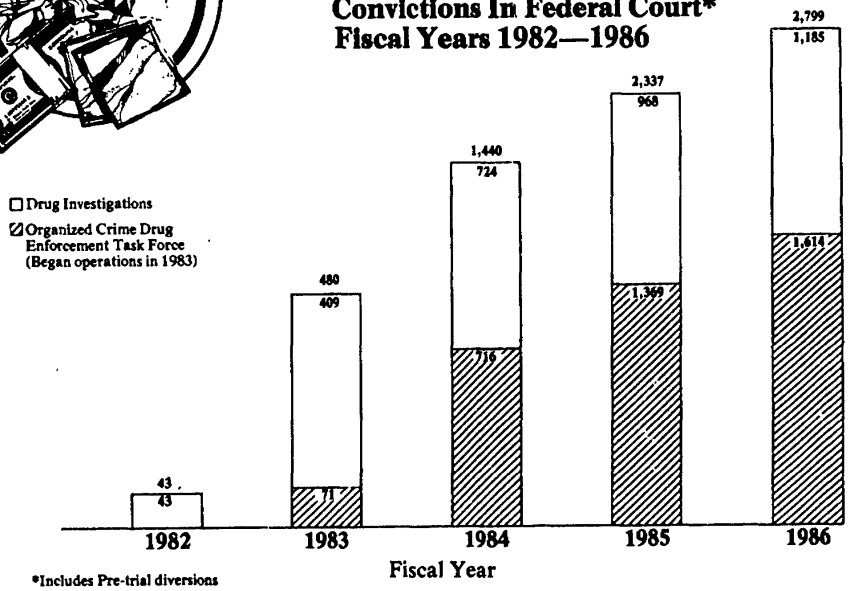
EXHIBIT NO. 20

EXHIBIT NO. 21



U.S. Department of Justice
Federal Bureau of Investigation

Drug Investigations Convictions In Federal Court* Fiscal Years 1982—1986



*Includes Pre-trial diversions

WHITE-COLLAR CRIME INVESTIGATIONS

White-Collar Crime (WCC) is defined as those illegal acts which are characterized by deceit, concealment, or violation of trust and which are not dependent upon the application or threat of physical force or violence. Such acts are committed by individuals and organizations to obtain money, property, or services; to avoid the payment or loss of money or services; or to secure personal or business advantage.

The Department of Justice has identified and ranked priority areas regarding WCC. These are crimes against: Federal, state, or local governments by public officials and private individuals; crimes against businesses, consumers, investors, and employees; and crimes affecting the health and safety of the general public.

In response to the above, the FBI established three major priorities within the WCCP. They are: (1) fraud against the Government matters involving U.S. Government officials (and/or losses exceeding $25,000) and bribery and other public corruption involving Federal officials (Government Fraud); (2) Federal, state, and local public corruption (Public Corruption); and (3) financial crimes.

During the fiscal year ending September 30, 1986, 19.9 percent of the total investigative personnel of the FBI were utilized in conducting white-collar crime investigations. This effort accounted for 4,031 convictions or 34 percent of the convictions obtained in all FBI investigations during fiscal year 1986. An additional 369 individuals were placed in pretrial diversion programs. In fiscal year 1986, more than $25.2 million in fines were levied, and recoveries and restitutions totaled $1.383 billion.

• Governmental Fraud Subprogram

These investigations address allegations of fraudulent acts involving federally funded programs or bribery/conflict of interest in the Executive Branch of Government. This top-ranked subprogram endeavors to investigate and seek prosecutions of those individuals who, through deceit or dishonesty, attempt to interfere with the lawful functioning of Federal agencies, programs, or projects. This subprogram has achieved its status as the top priority due to the concerns of the Attorney General's Economic Crime Council, the President's Council on Integrity and Efficiency, and FBI Headquarters. The investigations given "priority" status are those involving frauds in excess of $25,000 and especially those involving the Department of Defense or the Department of Health and Human Services. Allegations of bribery and/or conflict of interest on the part of Federal employees are considered extremely sensitive and must be addressed immediately.

EXHIBIT NO. 22

In addition to the corruption of Federal officials, this subprogram also deals with procurement, entitlement, and false claim frauds. The procurement frauds (with heavy emphasis on Defense procurements) include labor mischarging (charging other Government contracts for costs incurred on overrun contracts), defective pricing (falsifying or fraudulently withholding pertinent cost information during contract negotiations), product substitution, and false test certifications. The entitlement frauds primarily consist of applications for and/or receipt of Federal funding by those not eligible for such funding (many of the food stamp and health care frauds are reflective of this). False claims run the gamut of charging the Government for work not performed (usually by overstating progress payment requests), using false billing rates, billing for services that were not necessary, and creating completely fictitious invoices.

The FBI's participation in joint investigations with the Inspectors General and military investigative agencies has not only increased the number of significant fraud cases that are being investigated, but it also has drawn on other agencies' experience and expertise to assist in accomplishing thorough and comprehensive investigations in a timely fashion. Examples of this approach include: joint Defense fraud investigations coordinated through participation in the Defense Procurement Fraud Unit, which resulted in over two dozen criminal investigations against major defense contractors throughout the country; four joint target city Task Force investigations with the Veterans Administration addressing family housing frauds; current planning for Task Force investigations with the Department of Housing and Urban Development similar to those undertaken with the Veterans Administration; and eight target city task force investigations addressing false claims to Medicaid/Medicare made on the part of doctors, hospitals, and laboratories.

• Public Corruption Subprogram

Public Corruption involves the investigation of systematic corruption by Federal, state, and local executive and management level public officials. Public corruption can be broadly defined as occurring when any elected or appointed public official (local, state, or Federal) acting for or in behalf of his/her public office asks, demands, solicits, seeks, accepts, receives, or agrees to receive anything of value in return for being influenced in the performance of any official act. The necessary evidence to support an allegation of public corruption must often be gained through the testimony of informants and cooperating witnesses, the use of consensually monitored conversations, and the use of undercover operations. As these investigative techniques become known through their exposure during subsequent courtroom proceedings, they must be replaced by new and often more labor intensive techniques. Electronic and

operational countermeasures are now being employed by some of these same sophisticated white-collar criminals.

While FBI investigations involve officials at all levels of government, investigative priority and emphasis are provided to those matters involving Federal officials. Due to the large number of local office holders, the volume of matters under investigation has traditionally involved more local and county governments. Public corruption investigations are, for the most part, not undertaken by state and local authorities for a number of reasons, and such investigations have become a major component of the FBI's white-collar crime program.

The FBI's investigative response to public corruption continues to be immediate, aggressive, and thorough. Prior to initiating an investigation, a careful evaluation is made regarding the credibility and motivation of the individual making the allegations and of the facts that are available to corroborate or refute these allegations. The goal of each investigation is to resolve whether or not the allegations are true. Due regard is given to the integrity and reputation of the public official alleged to have engaged in criminal conduct.

• Financial Crimes Subprogram

Financial crime investigations primarily involve frauds, thefts, and embezzlements occurring within or against the national and international financial community. Priority matters currently of particular concern are bank failures or bank (and savings and loan association) mergers in lieu of failure caused by fraud and embezzlements perpetrated by bank officers, owners, or major stockholders. A 1984 Congressional study found actual or probable criminal misconduct by officers, directors, or other insiders in 61 percent of recent bank failures and concluded that officials of failed or problem banks usually escape prosecution or sanctions by the Government. This study indicated that during 1983, criminal activities by bank officers, directors, and owners contributed to 35 bank failures.

To illustrate the scope of the bank failure problem, from January 1, 1981, through December 31, 1986, a total of 657 commercial banks and savings and loan institutions have been closed or merged with other financial institutions in lieu of failure. Of this total, 293, or 45 percent, occurred during the period from January 1, 1985, through December 31, 1986. Federal regulatory agencies forecast a continuing pattern of bank failures.

The Fraud By Wire statute is one of the most effective tools available to combat national and international fraud schemes. These schemes include advance fee loan frauds, Ponzi investment frauds, pyramid business frauds, boiler rooms, and numerous other types of fraud. The advance fee loan scheme preys upon the small businessman, the farmer, or entrepreneur who is

vulnerable because of a desperate need for cash. An example of a significant national fraud case which utilized the fraud by wire statute, as well as bank fraud and embezzlement statutes, is a case which resulted in the conviction of seven former officers of ESM Government Securities, Incorporated, Ft. Lauderdale, Florida, and the former managing partner of the Miami office of Alexander Grant and Co., Certified Public Accountants. These individuals were convicted of participating in a nationwide fraud scheme involving the purchase and repurchase of Government securities, which caused losses of over $300 million to financial institutions, municipalities, and creditors. Continuing technological advances in mass marketing and electronic fund transfers enable the perpetrators of these fraudulent schemes to operate with remarkable speed and efficiency.

Fraudulent bankruptcy, computer crimes, and stolen securities violations, as well as new or enhanced statutes under the Comprehensive Crime Control Act of 1984, are also addressed in this subprogram.

FBI WCC investigators and accounting technicians, by virtue of their formal education and experience in accounting investigations, are highly qualified to conduct these investigations. Financial crimes matters such as bank failure and major fraud investigations often require the concentration of relatively large amounts of FBI personnel for extended periods of time. Because of the voluminous amounts of documentary evidence encountered in these types of investigations, an electronic data processing system, the Investigative Support Information System (ISIS), is often required to assist investigators in collating evidence and testimony on complex issues, events, and the activities of multiple defendants.

The FBI also conducts extensive investigations in connection with the Government's prosecution of antitrust matters and the litigation of civil matters.

• Labor Matters

The FBI also conducts investigations of "Labor Matters" which are aimed at the protection of the rights of union members and certain unlawful conduct of union officials and employers. Definite investigative jurisdiction is established, through consultation with United States Attorneys and the Department of Justice, prior to the initiation of these investigations in recognition of the potential impact of the involvement of the FBI in union/management activity.

Following are exhibits showing agent time spent by major activity of White-Collar Crime investigations and convictions obtained in Federal court.

AGENT TIME SPENT BY MAJOR CATEGORY OF
WHITE-COLLAR CRIME INVESTIGATIONS
FISCAL YEARS 1982 - 1986
(Includes Field Supervisors)

	1982			1983			1984			1985			1986		
MAJOR CATEGORY	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL
Governmental Fraud	314	19%	4.0%	296	20%	4.2%	302	21%	3.9%	321	21%	3.9%	357	22%	4.3%
Labor Matters	32	2%	0.4%	30	2%	0.4%	14	1%	0.1%	15	1%	0.1%	20	1%	0.2%
Public Corruption	246	15%	3.2%	237	16%	3.4%	230	16%	2.9%	260	17%	3.2%	315	19%	3.8%
Financial Crimes	879	55%	11.3%	816	55%	11.6%	849	59%	10.9%	887	58%	10.9%	915	56%	11.1%
Other Matters	138	9%	1.8%	104	7%	1.5%	43	3%	0.6%	46	3%	0.5%	39	2%	0.5%
Total	1,609	100%	20.7%	1,483	100%	21.1%	1,438	100%	18.4%	1,529	100%	18.6%	1,646	100%	19.9%

EXHIBIT NO. 23

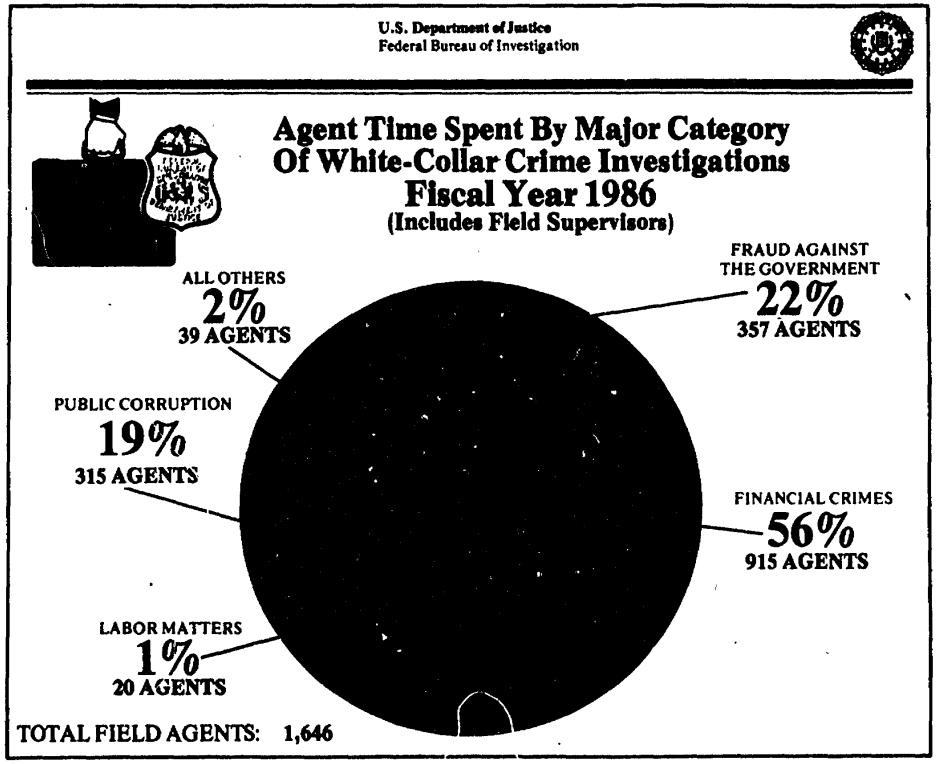


EXHIBIT NO. 24

1919

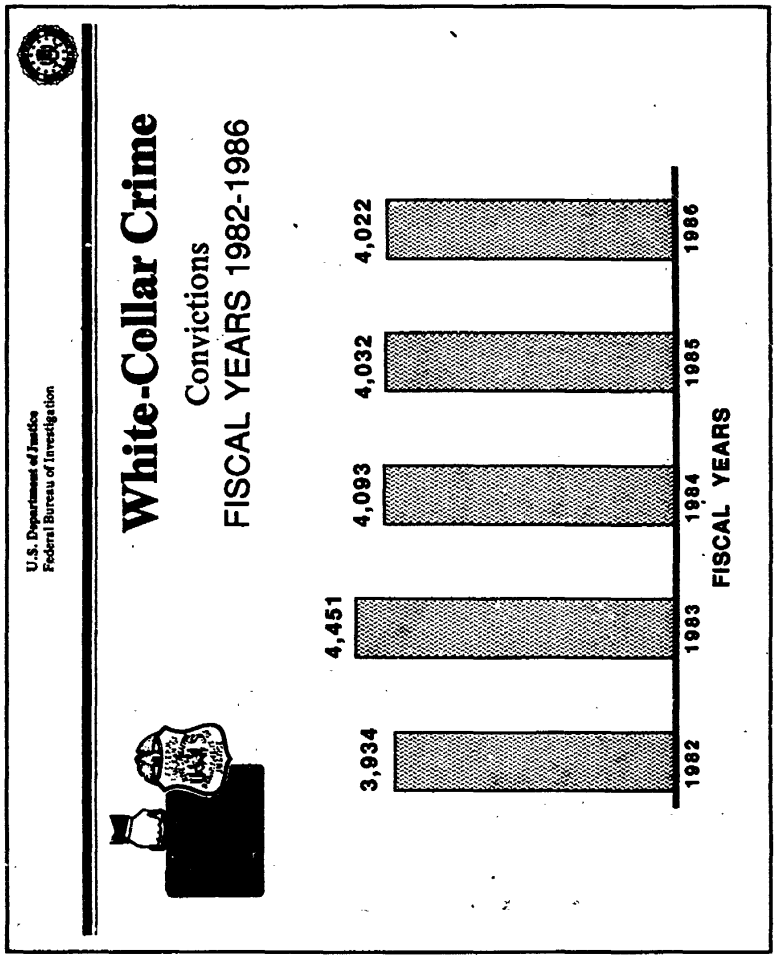


EXHIBIT NO. 25

FOREIGN COUNTERINTELLIGENCE INVESTIGATIONS

The FBI is charged with responsibility for foreign counterintelligence (FCI) investigations within the United States. This function is derived from various criminal statutes, such as the Espionage Statues and Foreign Agent Registration Act. In addition, FCI investigations are conducted in accordance with Presidential Directives issued pursuant to the inherent power of the President to protect and defend the Constitution of the United States. Executive Order 12333, issued December 4, 1981, is the current Presidential authority for the FBI's FCI investigations. In compliance with existing Executive Orders, the Attorney General has established guidelines for the conduct of FCI activities in the United States. The first guidelines became effective May 28, 1976. Within the parameters of these guidelines and statutes, the FBI is given discretion to develop and implement the FCI program.

The mission of the FCI program is to identify and neutralize the threat posed by hostile intelligence services and their agents in the United States. Activities to accomplish this mission include penetration, disruption, expulsion, arrest, and prosecution.

In the course of fulfilling its FCI mission, the FBI serves the policy making levels of the United States Government by providing an overview of foreign intelligence activities within the United States. As a result, Government officials are assisted in making informed decisions concerning national security requirements. The FBI also furnishes analyses to other agencies of the Executive Branch that have specific intelligence responsibilities, enhancing the effectiveness of these agencies in accomplishing their missions. FBI investigative responsibilities have expanded due to a much wider geographic access, increase in the numbers of individuals requiring investigations, and the use of sophisticated technical collection equipment on the part of foreign intelligence personnel.

The FBI has a defined role within the Intelligence Community. Inasmuch as foreign-directed intelligence activities are transnational in nature, the FBI must coordinate investigative operations with other United States agencies and cooperating foreign police and security services in order to insure the accomplishment of established FCI objectives. This liaison is a most integral component of the FBI's FCI program.

EXHIBIT NO. 26

72-166 O—87——61

DOMESTIC TERRORISM INVESTIGATIONS

Terrorism investigations are undertaken in order to detect, prevent and/or react to unlawful, violent acts and criminal activities of domestic terrorist groups or individuals. These groups are based and operate entirely within the United States and direct their activities at elements of our Government or population with the intent to either overthrow the United States Government, interfere with the activities of a foreign government in the United States, substantially impair the functioning of the Federal Government, a state government or interstate commerce, or deprive Americans of their civil rights, as guaranteed by the United States Constitution. The authority for these investigations is derived from Federal statutes and orders from the President or the Attorney General. In addition, violations of certain Federal statutes, which would logically relate to terrorism, such as bombing matters, nuclear extortion, hostage-taking, sabotage, and the protection of foreign officials, are handled within the Terrorism Program.

The FBI defines terrorism as the unlawful use of force or violence against persons or property to intimidate or coerce a government, the civilian population, or any segment thereof, in furtherance of political or social objectives. In order to combat terrorism, quality intelligence must be gathered and acted upon to prevent planned violence from occurring. The intelligence process involves the collection and analysis of information regarding groups or individuals who have demonstrated a willingness and capability to engage in illegal terrorist activity.

Domestic terrorism investigations are premised upon the fundamental duty of government to protect the public against criminal violence intended to destroy the constitutional system or to deny any segment of the population the exercise of their Constitutionally guaranteed rights. This duty must be performed with care in order that the government itself not act in such a way as to stifle legitimate forms of dissent. To ensure the propriety of investigations, the Attorney General issued investigative guidelines for conducting Domestic/Security Terrorism Investigations in April 1983. Domestic security investigations are used to assemble intelligence information on terrorists but with restrictions necessary to protect the rights of United States citizens. The approach taken to these investigations is similar to that taken in other racketeering investigations. That is to say, the focus is on the unlawful activity of the group rather than on the motives. If it can be reasonably established that two or more persons are allied in the commission or planning of unlawful violent acts, they can be investigated for involvement in an ongoing criminal enterprise. Further, the investigation may extend to persons supporting the criminal enterprise by providing safehouses, money, weapons, or the like. These guidelines establish a consistent policy concerning when an investigation may be initiated and the methods that may be employed in conducting the investigation.

EXHIBIT NO. 27

The Attorney General's guidelines permit the government to actively combat terrorism while at the same time avoid the repressive measures that the terrorists seek to provoke in their efforts to influence the government. As of February 1, 1987, there were 21 organizations under investigation based on these guidelines.

Although the number of actual terrorist incidents recorded in the United States has generally declined, this favorable trend should not be regarded as a signal that eradication of violent terrorism is close at hand. More properly, the reduction in terrorist incidents in the United States closely corresponds to the FBI's acceleration of an all-out counterterrorist effort which has been characterized by the steady commitment of resources, enhanced counterterrorism training, and more efficient use of an increasingly effective intelligence base. To successfully counter the increasing threat, a redirection of FBI resources was considered necessary by the FBI. The amount of FBI resources devoted to counter terrorism steadily increased as terrorist activity against United States targets around the world increased. In view of these increased threats, the Director of the FBI decided to elevate terrorism to the status of a national priority program effective October 1, 1982.

The FBI is committed to a program of intensified investigative activity which will continue to successfully counter the violent intentions of terrorist organizations deployed in the United States. The arrest, prosecution, and incarceration of key leadership elements of various terrorist organizations coupled with successful preventative measures has significantly contributed to the decline in the number of terrorist incidents committed in the United States. It would, as stated, be incorrect to conclude from these counterterrorism successes that the pernicious threat of terrorism in the United States has been all but eliminated. The United States, because of its size, porous border, open society, and official involvement in the global political arena, is constantly vulnerable to terrorist attacks. Terrorist infrastructures and support networks are in place and certain terrorist groups may be motivated to initiate attacks in the United States in response to United States foreign policy initiatives or out of maniacal desire to neutralize dissident behavior which may appear in emigre communities found in almost every corner of the Nation.

The FBI's counterterrorism efforts, if they are to achieve desirable results, must be viewed as a long-term proposition. It takes years and much effort to build necessary intelligence bases, the networks of cooperating citizens, and cadres of experienced, trained special agents. It is not, therefore, the FBI's intention to remove the pressure from those elements of society that pose a threat to American persons or interests. On the contrary, for the foreseeable future, counterterrorism will remain a national priority program. All FBI investigative activity is carried out with the objective of minimizing the threat of terrorism to the American people and, as evidenced by the diminished level of terrorist activity in recent years, the FBI's preemptive efforts have been very successful.

PERSONAL CRIMES INVESTIGATIONS

The "street-crime" nature of many Personal Crimes Program investigations enables the FBI to become directly involved in the effort to stem the incidence of violent crimes that affects communities across the Nation. Through this program the FBI addresses a group of criminal offenses sharing the common characteristics of threatened or actual injury or loss of life. These crimes, which include threats, assaults, kidnapings, and assassination on/of the President, Vice President, Executive Department heads, Supreme Court Justices, Members of Congress, other designated Federal officials, their families, and Federal law officers; bank robberies; kidnapings; tampering with consumer products; theft of controlled substances; extortions; and crimes aboard aircraft, among others, often have considerable impact on the communities and individuals involved due to their potential for violence, the high public profile of their victims, and the opportunity for substantial monetary losses.

Investigative accomplishments attributable to the Personal Crimes Program contributed substantially to the overall performance and success of the FBI during 1986. During this period, 2,182 informations and indictments were filed, 1,525 arrests and locates were made, and 2,099 convictions were obtained in Federal court. Ninety-six percent of these convictions were for felony offenses. FBI investigations also contributed to the convictions of another 645 persons who were prosecuted in state or local court for personal crimes in 1986. The following are representative of major program accomplishments during 1986:

In May 1986, a significant product tampering case was successfully resolved when a subject was arrested for contaminating various capsules with poison in an attempt to manipulate the stock price of the manufacturer. This case began in March 1986, when blister packages containing cold and diet capsules were contaminated with warfarin, a rat poison, and placed on store shelves in Florida and Texas. The manufacturer of these products withdrew them after news agencies received telephone calls from a man who demanded that capsule drugs be taken off the shelf for public safety. The FBI identified the individual by a fingerprint found on one of the packages containing poisoned capsules. Subsequently, the subject pleaded guilty and was sentenced to 27 years in prison.

On September 16, 1986, a nine-year-old girl was abducted from her school in Naples, Florida, and left in a cardboard box in a rural wooded area. Intense and thorough investigation by the FBI resulted in the rescue of the girl, recovery of the $1.5 million ransom, and the arrests of four men.

Following are exhibits showing agent time spent by major category of Personal Crimes investigations and convictions obtained in Federal court.

EXHIBIT NO. 28

AGENT TIME SPENT BY MAJOR CATEGORY OF PERSONAL CRIMES INVESTIATIONS
FISCAL YEARS 1982 - 1986
(Includes Field Supervisors)

	1982			1983			1984			1985			1986		
MAJOR CATEGORY	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL
Kidnaping	48	6.7%	.7%	66	10.2%	.9%	122	19.4%	1.5%	90	14.2%	1.1%	84	12.8%	1.0%
Extortion/Hobbs Act-Commercial	65	9.0%	.9%	92	14.1%	1.3%	66	10.4%	.8%	105	16.6%	1.3%	70	10.7%	.9%
Bank Robbery and Related Crimes	546	76.2%	7.9%	432	66.5%	6.2%	396	62.7%	4.7%	386	61.1%	4.8%	377	57.6%	4.7%
Crime Aboard Aircraft	10	1.4%	.1%	11	1.7%	.1%	11	1.7%	.1%	15	2.3%	.2%	12	1.9%	.2%
Tampering with Consumer Products							8	1.2%	---	1	.2%	---	33	5.1%	.4%
Theft of Controlled Substances										6	1.0%	.1%	3	.5%	---
Assaulting or Killing a Federal Officer	28	3.9%	.8%	42	6.5%	.6%	17	2.9%	.2%	17	2.7%	.3%	24	3.6%	.3%
Assaulting, Killing, or Kidnaping a Member of Congress, Supreme Court Justice, or Executive Department Head	5	.7%	.1%	3	.4%	.1%	3	.5%	.1%	2	.3%	---	3	.4%	---
Assaulting, Killing, or Kidnaping the President, Vice President, or Staff	8	1.1%	.1%	2	.3%	.1%	3	.5%	.1%	2	.3%	---	1	.1%	---
White Slave Traffic Act, Interstate Transportation of Obscene Matter, Sexual Exploitation of Children													37	5.7%	.5%
All Others	7	1.0%	.1%	2	.3%	.1%	5	.7%	---	8	1.3%	.1%	10	1.6%	.1%
Total	717	100.0%	10.7%	650	100.0%	9.4%	631	100.0%	7.5%	632	100.0%	7.9%	654	100.0%	8.1%

EXHIBIT NO. 29

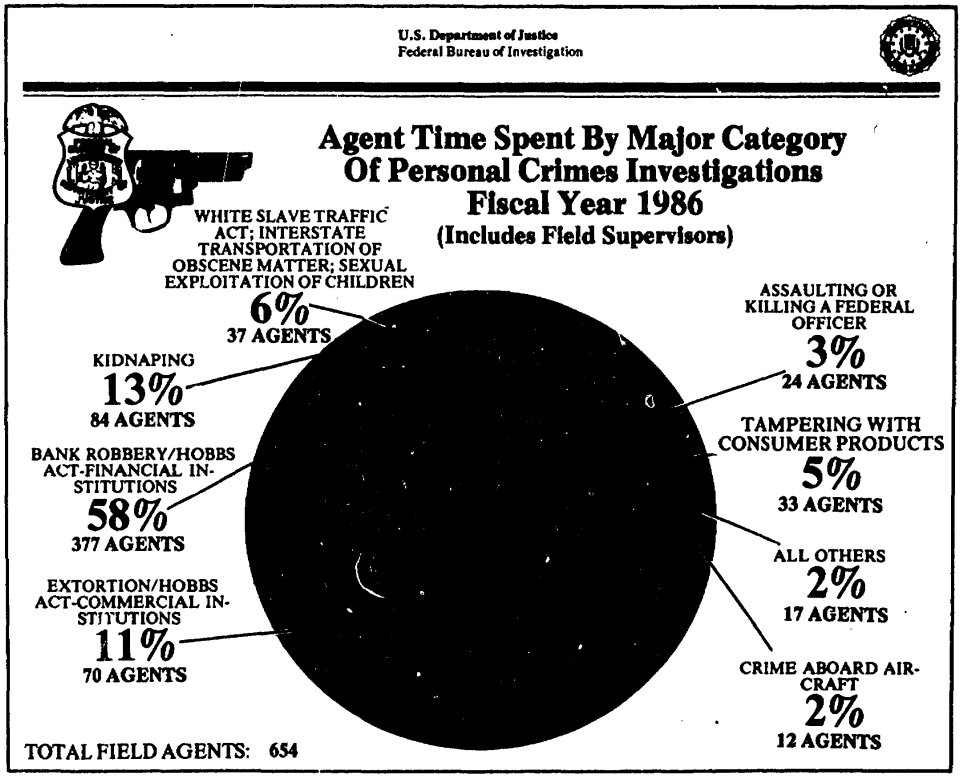


EXHIBIT NO. 30

1926

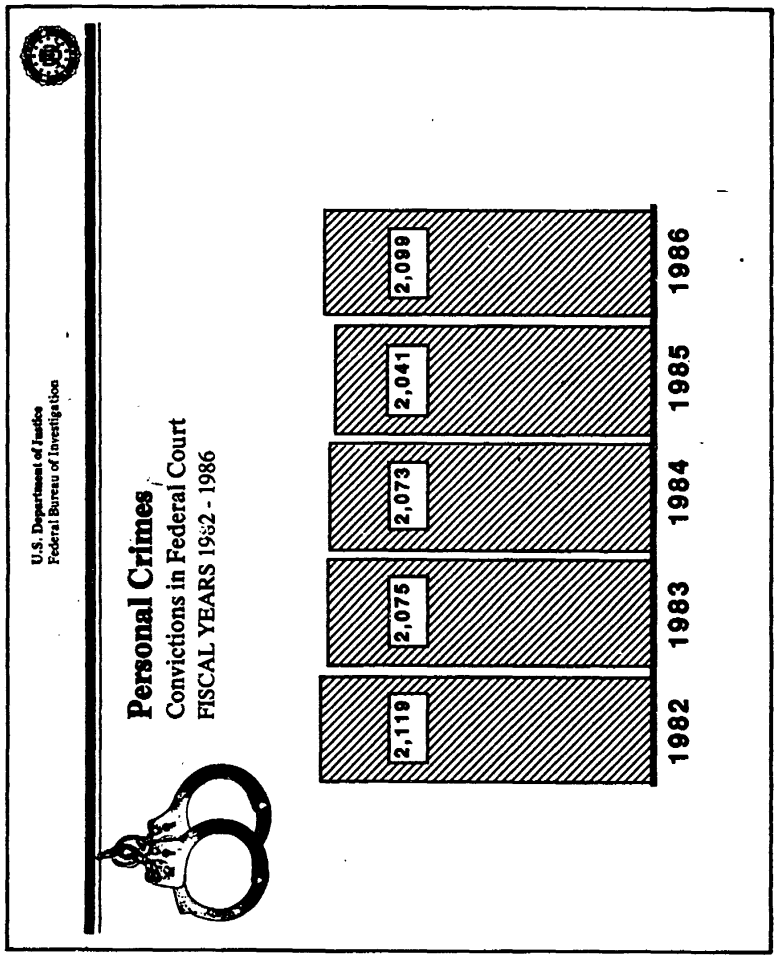


EXHIBIT NO. 31

FUGITIVE INVESTIGATIONS

The FBI's Fugitive Program provides direct assistance, at several different levels, to other Federal, state, and local law enforcement agencies. Investigative assistance under this program during 1986 yielded a total of 914 arrests by FBI agents and the locating of 528 individuals wanted by other law enforcement authorities.

Under provisions of the Unlawful Flight Statute, the FBI assists state and local law enforcement agencies seeking felons who cross state boundaries to avoid arrest, prosecution, or confinement. Typically, these fugitives are wanted for violent crimes such as murder, armed robbery, aggravated assault, and rape, while others are charged with narcotics law violations or major property thefts. Individuals wanted for these crimes often comprise the "hard-core" career criminal element whose unchecked activities pose a threat to community safety and property. Additionally, this statute is also used as the basis for investigating the unlawful taking of children by natural parents in defiance of custody decrees. During 1986, the FBI initiated 2,407 new Unlawful Flight investigations at the request of state and local law enforcement, of which 289 were related to parental kidnapings. Investigative efforts in these cases, as well as 2,066 other Unlawful Flight cases pending at the beginning of the year, resulted in the arrests of 808 individuals by FBI Agents and locating of another 461 wanted persons.

As part of the FBI's initiative against illegal narcotics traffickers, investigations are conducted to locate and apprehend major Drug Enforcement Administration (DEA) fugitives. These fugitives are Class I and Class II narcotics law violators for whom Federal warrants are outstanding. Since this cooperative effort began in late 1981, DEA has referred 1,012 individuals to the FBI for investigation, including 265 in 1986. Sixty-three DEA fugitives were apprehended by the FBI in 1986. The FBI also provides assistance to other Federal agencies, at their request.

The FBI also provides assistance to the United States armed forces in locating military personnel deserting under aggravated circumstances. Requests from local law enforcement agencies for laboratory and forensic assistance, as well as locating individuals for interview, are also serviced.

As a member of the International Criminal Police Organization (INTERPOL), the FBI cooperates with foreign police agencies conducting criminal investigations. INTERPOL membership is a significant complement to the FBI's Legal Attache program in criminal matters.

Following are exhibits showing agent time spent by major category of Fugitive investigations and unlawful flight and other arrests made.

EXHIBIT NO. 3

AGENT TIME SPENT BY MAJOR CATEGORY OF FUGITIVE INVESTIGATIONS
FISCAL YEARS 1982 - 1986
(Includes Field Supervisors)

	1982			1983			1984			1985			1986		
MAJOR CATEGORY	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL
Unlawful Flight to Avoid Prosecution-Violent Crime	183	70.4%	2.6%	174	69.6%	2.5%	156	64.8%	1.9%	152	61.8%	1.9%	150	61.2%	1.9%
Unlawful Flight to Avoid Prosecution-Property Crime or Narcotics	22	8.5%	.3%	20	8.0%	.3%	21	8.7%	.3%	21	8.5%	.3%	21	8.6%	.3%
Unlawful Flight to Avoid Prosecution-Parental Kidnaping							14	5.8%	.2%	16	6.5%	.2%	16	6.5%	.2%
Unlawful Flight to Avoid Prosecution-All Others	17	6.5%	.3%	17	6.8%	.2%	13	5.4%	.1%	11	4.5%	.1%	10	4.1%	.1%
Drug Enforcement Administration and Other Federal Agency Fugitives	23	8.8%	.3%	26	10.4%	.4%	22	9.1%	.3%	21	8.5%	.3%	25	10.2%	.1%
Domestic Police Cooperation	6	2.3%	.1%	10	4.0%	.2%	12	5.0%	.1%	14	5.7%	.2%	12	4.9%	.1%
All Others	9	3.5%	.1%	3	1.2%	...	3	1.2%	...	11	4.5%	.1%	11	4.5%	.1%
Total	260	100.0%	3.7%	250	100.0%	3.6%	241	100.0%	2.9%	246	100.0%	3.1%	245	100.0%	2.8%

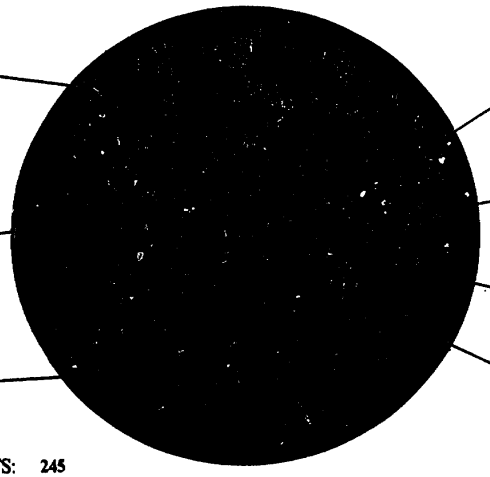
EXHIBIT NO. 33

U.S. Department of Justice
Federal Bureau of Investigation



Agent Time Spent By Major Category Of Fugitive Investigations Fiscal Year 1986

(Includes Field Supervisors)



UNLAWFUL FLIGHT-PROPERTY OR NARCOTICS CRIMES
9%
21 AGENTS

UNLAWFUL FLIGHT-VIOLENT CRIMES (MURDER, ARMED ROBBERY, RAPE, ASSAULT, ETC.)
61%
150 AGENTS

DRUG ENFORCEMENT ADMINISTRATION AND OTHER FEDERAL AGENCY FUGITIVES
10%
25 AGENTS

UNLAWFUL FLIGHT-PARENTAL KIDNAPING
7%
16 AGENTS

UNLAWFUL FLIGHT-ALL OTHERS
4%
10 AGENTS

DOMESTIC POLICE COOPERATION
5%
12 AGENTS

ALL OTHERS
4%
11 AGENTS

TOTAL FIELD AGENTS: 245

EXHIBIT NO. 34

1930

U.S. Department of Justice
Federal Bureau of Investigation



Unlawful Flight and Other Fugitives Arrested by the FBI

Assistance to State and Local Law Enforcement and Other Federal Agencies

Fiscal Years 1982 - 1986

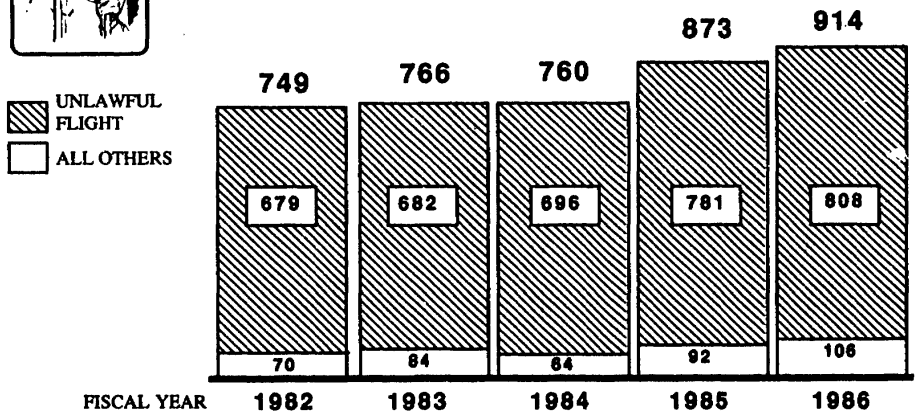


EXHIBIT NO. 35

1981

GENERAL GOVERNMENT CRIMES INVESTIGATIONS

The United States Government, as a property owner, employer, and supplier of goods and services to its constituent agencies, departments, and the general public, is not immune from the reach of criminals. The FBI, through its General Government Crimes Program, works to reduce the personal and tax dollar impact of such criminal activity.

General Government Crimes Program investigations are directed toward the identification, investigation, and prosecution of criminals and criminal groups engaged in serious personal and major property crimes committed against or on property where the United States Government has jurisdiction, which includes approximately 430 major Department of Defense installations, numerous civilian agency buildings and sites, national parks and recreation areas, approximately 256 Indian reservations, and 47 Federal penitentiaries and correctional facilities. Also investigated under this program are cases referred to the Department of Justice by the Selective Service System (SSS) in which an individual is suspected of failing to register with SSS as required by law, individuals impersonating Federal officials, and false identification matters.

During 1986, 876 individuals were convicted in Federal court for General Government Crimes Program offenses; another 84 persons were convicted in state or local court as a result of FBI investigative efforts. FBI investigations also resulted in the recovery of more than $2.7 million in stolen or illegally possessed property and the prevention of nearly $1.1 million in potential economic losses.

Following are exhibits showing agent time spent by major category of General Government Crimes investigations and convictions obtained in Federal court.

EXHIBIT NO. 16

AGENT TIME SPENT BY MAJOR CATEGORY OF GENERAL GOVERNMENT CRIMES INVESTIGATIONS
FISCAL YEARS 1982 - 1986
(Includes Field Supervisors)

	1982			1983			1984			1985			1986		
MAJOR CATEGORY	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL
Thefts of Government Property	54	32.7%	.8%	52	30.7%	.7%	55	34.4%	.7%	50	30.7%	.6%	41	28.3%	.5%
Crimes on Government Reservations	52	31.5%	.7%	50	29.6%	.8%	45	28.1%	.5%	47	28.8%	.6%	39	26.9%	.5%
Selective Service Act							3	1.9%	---	6	3.7%	.1%	6	4.1%	.1%
Irregularites in Federal Penal Institutions	6	3.6%	.1%	6	3.6%	.1%	9	5.7%	.1%	15	9.2%	.2%	10	6.9%	.1%
Impersonation	12	7.4%	.2%				10	6.2%	.1%	11	6.8%	.1%	8	5.5%	.1%
Crimes on Indian Reservations	38	23.0%	.6%	30	17.8%	.4%	33	20.6%	.4%	32	19.6%	.4%	38	26.2%	.5%
All Others	3	1.8%	---	31	18.3%	.4%	5	3.1%	.1%	2	1.2%	---	3	2.1%	---
Total	165	100.0%	2.4%	169	100.0%	2.4%	160	100.0%	1.9%	163	100.0%	2.0%	145	100.0%	1.8%

EXHIBIT NO. 37

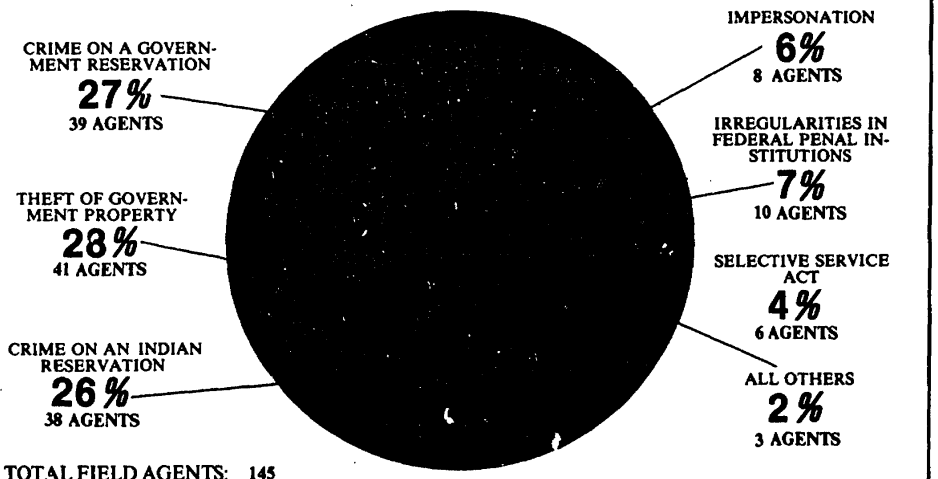
1983

U.S. Department of Justice
Federal Bureau of Investigation



Agent Time Spent By Major Category Of General Government Crimes Investigations Fiscal Year 1986

(Includes Field Supervisors)



TOTAL FIELD AGENTS: 145

EXHIBIT NO. 38

1934

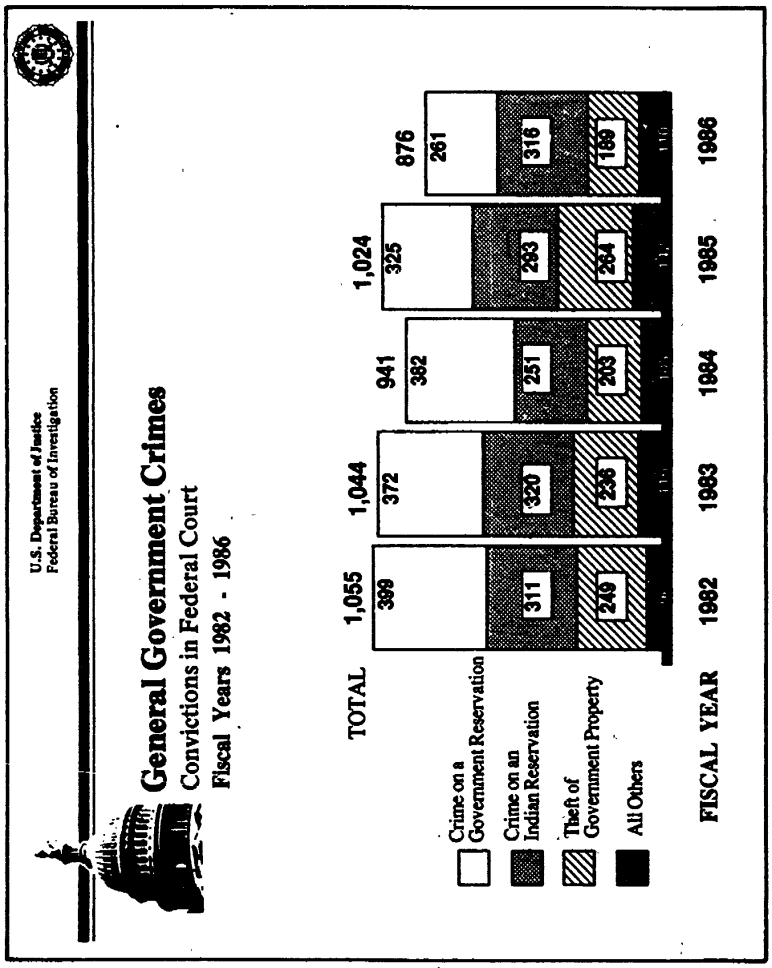


EXHIBIT NO. 39

GENERAL PROPERTY CRIMES INVESTIGATIONS

Crime remains a pervasive problem in American society, one that affects millions of citizens in every community across the Nation. More than 10 million property crimes, one every three seconds, were reported to state and local law enforcement agencies during 1985 according to Uniform Crime Report data. National Crime Survey data released by the Bureau of Justice Statistics (BJS), Department of Justice, showed that 25 percent of American households, approximately 22 million, were touched by a crime of violence or theft in 1985. Also, according to Uniform Crime Report data, the number of property crimes in 1985 was up five percent from the 1984 volume; motor vehicle theft showed an increase of seven percent.

The FBI's General Property Crimes Program focuses on thefts from interstate shipments, the interstate transportation of stolen goods and motor vehicles, individuals and groups engaged in such criminal activities, and fences buying and selling stolen property. Program investigations often develop links between property crime occurrences, fences, organized crime, and narcotics trafficking. Other program investigations include arson matters, crimes on the high seas and destruction of aircraft or motor vehicles. Traditional investigative approaches to property crime occurrences are complemented with the use of undercover operations directed against specific crime problems. Undercover operations enable FBI Agents to identify and penetrate theft rings and fencing operations, to obtain intelligence information about criminal activities, and to gather evidence against high-echelon criminals who have previously been able to insulate themselves against direct lines of complicity in illegal activities.

Property crime undercover operations have successfully penetrated organized automobile theft and "chop shop" operations throughout the country. An undercover operation related to organized automobile theft in the Memphis, Tennessee, area ceased operation in the early part of 1986. During this operation, state and local law enforcement officers and FBI special agents posing as buyers of stolen vehicles and heavy equipment were able to infiltrate areas of these organized theft operations which previously have been virtually untouched by law enforcement. Numerous stolen high-value vehicles were purchased from professional thieves and their associates. Due to the efforts of this one undercover operation, 124 convictions and $3.6 million in recoveries were realized.

The culmination of an investigation by a task force of local police agencies and the Buffalo FBI office in February 1986 resulted in 11 convictions. As part of a plea agreement, two subjects were debriefed regarding more than 50 burglaries committed by a "Hi-Tech Burglary Gang," so named for the members' use of electronic devices to bypass sophisticated alarm systems and police scanners. A total of $4 million in missing art and antiques was recovered.

EXHIBIT NO. 49

Property crimes undercover operations have also helped in the increasing motor vehicle insurance fraud problem. In another successful undercover operation conducted in Detroit, Michigan, 170 individuals were charged either by complaint or indictment of mail fraud and 163 vehicles were recovered valued at $1,059,500.

In 1986, the San Antonio FBI Office concluded an investigation into the bombing of American Airlines Flight 203 at the Dallas/Fort Worth Regional Airport on October 30, 1985. While in flight, a smoldering fire ignited in the baggage hold area of the plane from an improvised explosive device. When the cargo hold doors were opened upon landing, flames erupted; however, they were quickly extinguished. No injuries were sustained by the passengers, crew members, or ground personnel. The FBI Laboratory determined that the explosive device was located in the luggage of a female passenger who was accompanied by her three children. Her husband was developed as a suspect and extensive investigation determined that he was deeply in debt, used and sold narcotics, and had purchased $2.65 million in life insurance on his family. This suspect was subsequently charged in connection with the bombing incident and, after entering a guilty plea, was sentenced to two 20-year prison terms. Investigation has identified two other individuals who made and sold the explosive device.

During Fiscal Year 1986, the General Property Crimes Program's efforts resulted in the conviction of 1,131 persons, 894 arrests, and 114 subjects located. Another 395 persons were convicted in state or local court as a result of FBI investigative efforts. In this period, stolen property in the amount of $129,332,491 was recovered; $1,900,855 in fines was assessed; and $33,891,193 in potential economic loss was prevented.

Following are exhibits showing agent time spent by major category of General Property Crimes investigations and convictions obtained in Federal court.

AGENT TIME SPENT BY MAJOR CATEGORY OF GENERAL PROPERTY CRIMES INVESTIGATIONS
FISCAL YEARS 1982 - 1986
(Includes Field Supervisors)

	1982			1983			1984			1985			1986		
MAJOR CATEGORY	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL	AGENT WKYRS	PERCENT OF PROGRAM	PERCENT OF TOTAL
Thefts from Interstate Shipments	110	14.2%	1.6%	106	16.0%	1.5%	103	17.0%	1.2%	91	16.5%	1.1%	88	17.0%	1.1%
Interstate Transportation of Stolen Motor Vehicles and Aircraft	136	17.5%	1.9%	130	19.6%	1.8%	133	22.2%	1.6%	130	23.5%	1.6%	124	24.0%	1.5%
Interstate Transportation of Stolen Property	342	44.0%	4.9%	280	42.3%	4.0%	253	42.2%	3.1%	236	42.6%	2.9%	207	40.0%	2.6%
Racketeer Influenced and Corrupt Organizations	66	8.5%	1.0%	56	8.4%	.8%	34	5.6%	.4%	22	4.0%	.3%	21	4.1%	.3%
All Others	123	15.8%	1.8%	91	13.7%	1.3%	77	13.0%	.9%	74	13.4%	.9%	77	14.9%	.9%
Total	777	100.0%	11.2%	663	100.0%	9.4%	600	100.0%	7.2%	553	100.0%	6.8%	517	100.0%	6.4%

EXHIBIT NO. 41

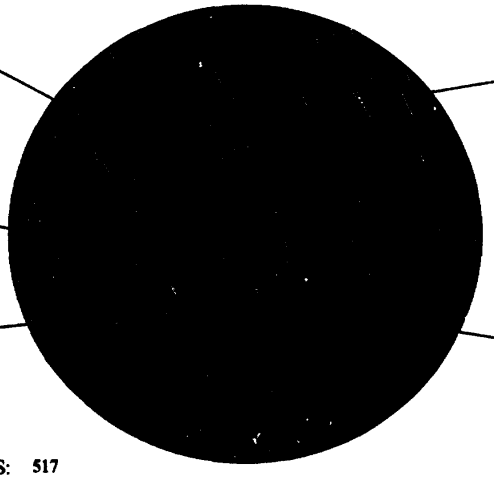
1938

U.S. Department of Justice
Federal Bureau of Investigation



Agent Time Spent By Major Category Of General Property Crimes Investigations Fiscal Year 1986

(Includes Field Supervisors)



TOTAL FIELD AGENTS: 517

EXHIBIT NO. 42

1989

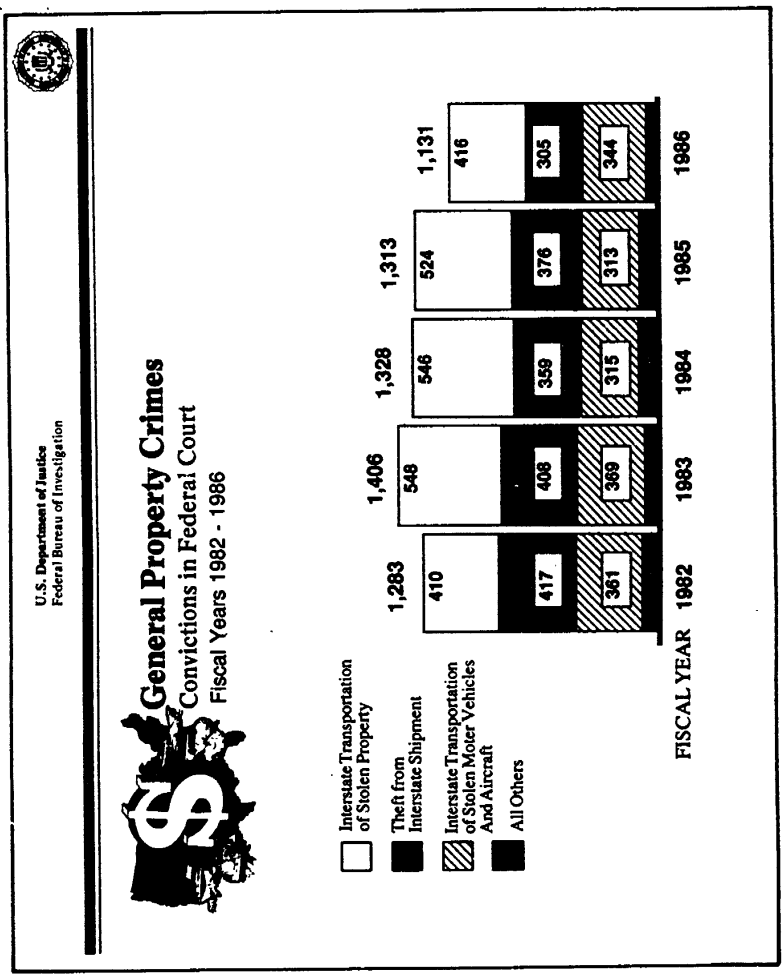


EXHIBIT NO. 43

CIVIL RIGHTS INVESTIGATIONS

The Civil Rights Program addresses investigations rising from the actual or attempted abridgment of rights provided to citizens and inhabitants of the United States under the Constitution and laws of the country. The primary objective of this program is to enhance and protect those rights through expeditious investigation of matters within FBI jurisdiction. Both civil and criminal matters are investigated in close coordination with the the Civil Rights Division of the United States Department of Justice.

In addition to conducting investigations, resources will also be used in 1987 to provide specialized instructional programs to FBI field supervisors and investigators. The purpose of these seminars is to enhance the managerial and investigative skills of Special Agents assigned to civil rights investigations by keeping them abreast of complex civil rights issues, thus enabling a more timely, accurate, and effective response to civil rights matters referred to the FBI. Similar programs will also be conducted for local and state law enforcement officers attending the FBI National Academy program at Quantico, Virginia. These programs will increase participants' knowledge concerning Constitutional rights and the special duties and obligations which the law imposes on law enforcement officers in upholding and protecting these rights.

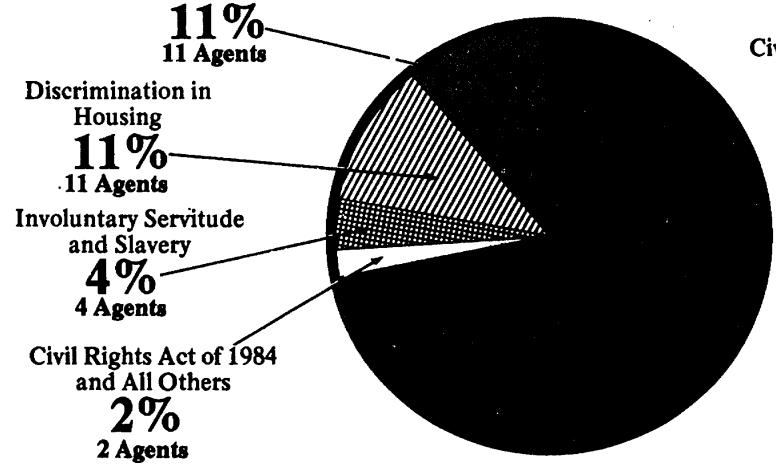
Following are exhibits showing agent time spent by major activity of Civil Rights investigations and convictions obtained in Federal court.

EXHIBIT NO. 44

U.S. Department of Justice
Federal Bureau of Investigation

Agent Time Spent by Major Category Of Civil Rights Investigations Fiscal Year 1986

(Includes Field Supervisors)



TOTAL FIELD AGENTS: 103

EXHIBIT NO. 45

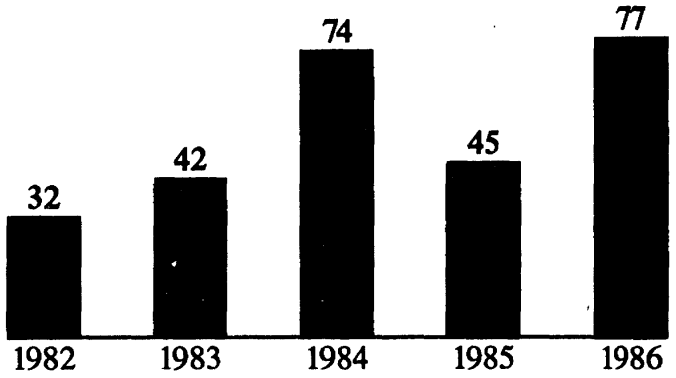
1942

U.S. Department of Justice
Federal Bureau of Investigation



Civil Rights Program

Convictions in Federal Court*
Fiscal Years 1982-1986



*Includes pre-trial diversions

EXHIBIT NO. 46

1943

CRIMINAL INFORMANT PROGRAM

The FBI considers the criminal informant to be an important and invaluable investigative tool in fulfilling its investigative responsibilities. Due to the myriad of criminal matters investigated by the FBI and the increasing sophistication of some individuals in the criminal element, it has become imperative, over the years, for the FBI to rely upon the information provided by informants to resolve many of the complex cases under investigation. The FBI has enjoyed success in the resolution of numerous complicated cases due, in no small part, to the use of criminal informants. Employment of some investigative techniques such as electronic surveillances is dependent upon information provided by the criminal informant.

Virtually every major case investigated by the FBI involves the use of an informant in some capacity and the information provided by them results in substantial numbers of arrests and convictions each year. Informants provide information of intelligence value leading not only to the solution of crimes, but also to the recovery of stolen property, the locating of wanted persons, and the detection of some crimes in the planning stages.

FBI informants often furnish information regarding criminal acts which are in violation of state laws or of Federal laws over which the FBI has no jurisdiction. This information is disseminated to the appropriate law enforcement agency to assist in its investigations.

Informants are not used by the FBI to circumvent legal or ethical restrictions. Informants are given specific instructions not to participate in acts of violence, use unlawful techniques to obtain information, or initiate a plan to commit criminal acts. Informants are sometimes authorized to participate in criminal activities with persons under investigation if it is determined that such activities are necessary to obtain information needed for purposes of Federal prosecution. If this participation in otherwise criminal acts involves significant risk of violence, corrupt actions by high public officials, or severe economic loss to a victim, the concurrence of an appropriate United States Attorney is obtained prior to the authorization being given.

EXHIBIT NO. 47

Informants are paid for services and expenses on a cash-on-delivery basis for information provided in authorized investigative activities. The amount paid to an informant is determined by the FBI based on the value of the information provided by the informant.

Currently, the FBI is in the process of implementing a computer system to assist in providing effective management of its Criminal Informant Program. Analytical data concerning information provided by informants, geographic locale for various types of informants, areas of criminal expertise, and payment authorizations will be available to field office personnel to enable them to make the most effective and efficient use of their informants in the conduct of ongoing criminal investigations.

CRIMINAL UNDERCOVER OPERATIONS

The undercover technique has opened avenues of investigative pursuit not available in the context of the traditional investigative process. The presence of an undercover special agent provides firsthand special agent testimony relating to the nature and the scope of the criminal activities, the extent of involvement of the various offenders, and the location of items of evidence. Undercover agents are often able to obtain evidence relating to the knowledge, intent, and predisposition of individuals involved in criminal activity which, combined with the use of audio and/or video tapes, produces the strongest and most convincing evidence in a court of law. Undercover agents have the ability, in certain situations, to penetrate the highest levels of criminal activity, which heretofore have been unreachable.

The undercover technique also allows for more effective and safer use of sources and informants, in that the information obtained from the undercover operative may preclude the necessity for sources/informants to testify in court. In addition, undercover operatives often obtain evidence of past and planned crimes. In the instance of a planned crime, the undercover technique affords the FBI the opportunity to take a proactive approach, rather than investigating solely after the fact.

Firsthand testimony from undercover agents increases the chance of conviction and thus reduces the necessity to offer immunity or reduced charges to defendants and of using convicted felons or former confederates in order to prosecute higher echelon subjects.

All FBI criminal undercover operations are conducted in accordance with the Attorney General's guidelines for undercover operations.

Following are exhibits showing the number of criminal undercover operations conducted and convictions obtained in Federal court as a result of undercover operations.

EXHIBIT NO. 48

U.S. Department of Justice
Federal Bureau of Investigation



Criminal Undercover Operations
Fiscal Years 1982-1986

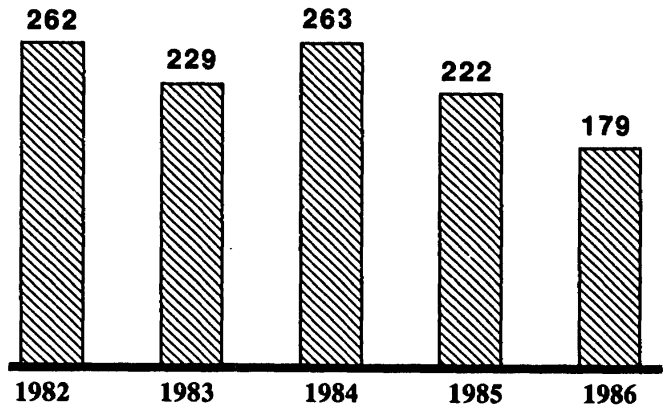


EXHIBIT NO. 49

1947

U.S. Department of Justice
Federal Bureau of Investigation

Criminal Undercover Operations

Convictions in Federal Court
Fiscal Years 1982-1986

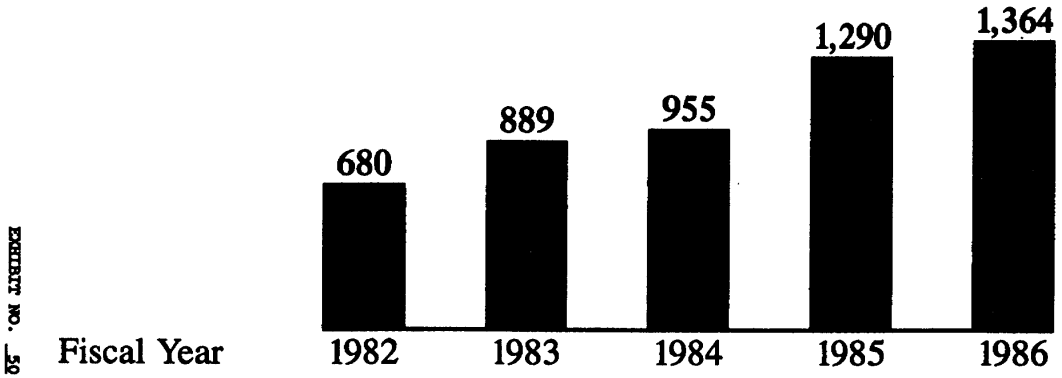


EXHIBIT NO. 50

1948

APPLICANT INVESTIGATIONS FOR OTHER AGENCIES

The FBI assists other Federal entities, including the White House, Department of Justice, Department of Energy, and others, by conducting approximately 4,000 background investigations concerning persons being considered for Presidential appointments and other important and sensitive positions in the United States Government. During the past year, continued progress in improving the timeliness and the quality of these investigations has been realized. Several investigations conducted developed unfavorable information concerning the candidate which resulted in denial of employment or of access to national security information.

The FBI is continuing its efforts to improve the quality of background investigations to ensure that the requesting agencies have a completely thorough and objective basis upon which to make employment and security access decisions.

Following is an exhibit showing background investigations conducted by the FBI for other Federal agencies.

EXHIBIT NO. 51

U.S. Department of Justice
Federal Bureau of Investigation

Background Investigations For Other Federal Agencies Fiscal Years 1982—1986



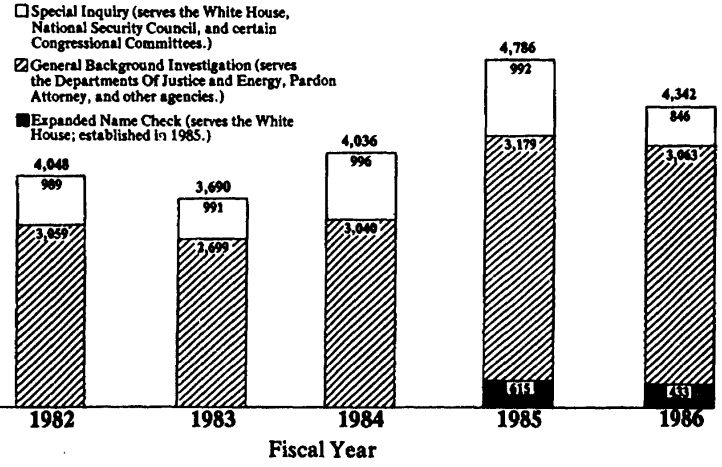


EXHIBIT NO. 52

1950

INVESTIGATIVE SUPPORT AND STATE AND LOCAL ASSISTANCE

SUPPORT FOR FBI FIELD INVESTIGATIVE PROGRAMS AND ACTIVITIES IS PROVIDED FOR UNDER THE INVESTIGATIVE SUPPORT BUDGET ACTIVITY. INVESTIGATIVE SUPPORT INCLUDES TRAINING, FORENSIC LABORATORY EXAMINATIONS AND RESEARCH, EFFICIENT MANAGEMENT OF INVESTIGATIVE AND ADMINISTRATIVE RECORDS, AUTOMATED DATA PROCESSING AND TELECOMMUNICATIONS MANAGEMENT AND MAINTENANCE, AND TECHNICAL FIELD SUPPORT AND EQUIPMENT SUPPLY. IN 1988, THESE ACTIVITIES WILL REQUIRE 2,790 POSITIONS AND $328,052,000. PROGRAM INCREASES ARE BEING REQUESTED TO SUPPORT THE IMPLEMENTATION OF AN INTEGRATED DIGITAL VOICE PRIVACY RADIO SYSTEM FOR THE FBI, DRUG ENFORCEMENT ADMINISTRATION, AND UNITED STATES MARSHALS SERVICE; TO CONSTRUCT AN ENGINEERING RESEARCH FACILITY; AND TO EQUIP AND FURNISH A THIRD DORMITORY BUILDING CONSTRUCTED AT THE FBI ACADEMY, QUANTICO, VIRGINIA.

STATE AND LOCAL LAW ENFORCEMENT ARE SUPPORTED THROUGH TRAINING PROGRAMS, LABORATORY AND FINGERPRINT IDENTIFICATION EXAMINATIONS, AND CRIMINAL JUSTICE DATA AND STATISTICS SERVICES, INCLUDING THE NATIONAL CRIME INFORMATION CENTER AND UNIFORM CRIME REPORTING PROGRAMS. THESE ACTIVITIES WILL REQUIRE 3,106 POSITIONS AND $124,281,000 IN 1988.

THE FOLLOWING INFORMATION AND EXHIBITS DESCRIBE ACTIVITIES IN THE AREAS OF INVESTIGATIVE SUPPORT AND STATE AND LOCAL ASSISTANCE.

EXHIBIT NO. 53

1952

TRAINING PROGRAMS

Training provided by the FBI to its employees can be generally categorized into two areas: (1) Basic - new agents' training at the FBI Academy, and (2) Specialized - in-service training for Special Agents and support personnel at the Academy and at the field office level.

The New Agents' Training Program provides a high level of instruction to insure that basic knowledge and skills are developed to enable new Special Agents to discharge their complex responsibilities when they are initially assigned to investigative operations in the field. The First Office Agent also receives professional guidance, assessment, and training during the probationary period (one year) in the field.

Specialized training is accomplished through formal in-service programs conducted at the FBI Academy for Special Agents and support personnel. Direct field support programs using FBI Academy instructors and/or police instructors assigned to the various field offices afford additional in-service training at the field level.

In-service training is designed to develop the full potential of all FBI personnel and to specifically enable them to:

-conduct complex investigations in the highest national priority areas: organized crime, white-collar crime, foreign counterintelligence, narcotics, and terrorism, as well as carry out all other general criminal investigations, and

-apply basic law enforcement skills and knowledge such as law, behavioral science, firearms, defensive tactics, and raid and arrest techniques.

Employees participate in sophisticated management, assessment, and education programs to improve the abilities of support managers as well as the mid- and upper-level FBI executives to more effectively carry out their complicated responsibilities, including personnel and program management, affirmative action, media relations, and budgeting.

In-service training provides job enrichment and career development opportunities for personnel through educational programs at the FBI Academy and elsewhere.

Training efforts at the Academy and in the field support crisis management training for FBI personnel who will be expected to respond in the event of terrorism, aircraft hijackings, hostage incidents, or other life-threatening situations.

EXHIBIT NO. 54

FBI training efforts include faculty improvement and research and development programs, which are essential to provide effective direct field support and training program improvement and assessment.

During fiscal year 1986, 3,677 FBI employees attended various training sessions conducted at the FBI Academy. A total of 430 new agents entered on duty during this period. Specialized in-service training included courses in white-collar crime, organized crime, foreign counterintelligence, terrorism, narcotics, legal matters, crisis management, forensic science matters, behavioral science topics, undercover operations, management and executive development, technical and electronic training, and instructor and special seminars.

• Police Training Operations

The FBI provides courses of instruction for state and local criminal justice practitioners, both at the FBI Academy and throughout the United States at state, regional, and local training facilities in order to improve their administrative, investigative, management, and technical capabilities. This instruction is offered consistent with instructional expertise, availability of personnel, and budgetary limitations.

The principal course offered at the FBI Academy is the "FBI National Academy Program." This is an eleven-week, multi-discipline course for seasoned law enforcement managers nominated by their agency heads because of their potential for continuing advancement. Sessions are conducted four times a year for a total of 800 officers annually. The academic courses in this program are accredited by the University of Virginia. By the end of fiscal year 1986, 20,183 officers had completed this program of which 803 were foreign students, with one out of seven of the graduates who are active in law enforcement being the head of their agency.

In 1976, the FBI instituted the National Executive Institute. This program, 15 days in length, is designed to meet the needs of the chief executive officers of our Nation's largest law enforcement organizations. To date, more than 270 executives have participated in this program. In 1981, the Law Enforcement Executive Development Seminar, which is designed for police chiefs from mid-sized agencies, was implemented. By the end of 1986, 406 police executives had been graduated from this course.

Specialized schools and courses dealing with a broad range of criminal justice related topics, such as Police Personnel Communications, Hostage Negotiation, Computer Related Crimes, Death Investigations, Interpersonal Violence, Criminal Psychology, Law Enforcement Laboratory Matters, and similar subjects are offered at the Academy. They range in length from three days to four weeks. During fiscal year 1986 specialized schools and symposia were offered for 5,021 criminal justice personnel.

72-165 O—87——62

In addition to course offerings, FBI Academy faculty conducted research and provided assistance to Federal, state, and local law enforcement on a myriad of topics and investigative techniques, including psycholinguistics, forensic hypnosis, psychological profiling of unknown subjects of multiple homicide and sex crime cases, hostage negotiations, crisis management, and on major case strategy consultations.

• National Center for the Analysis of Violent Crime

In 1986, the National Center for the Analysis of Violent Crime (NCAVC) completed its first full year of operation at the FBI Academy. The NCAVC is a law enforcement oriented behavioral science and data processing center consolidating research, training, investigative, and operational support functions for the purpose of providing expertise to law enforcement agencies confronted with unusual, vicious, or repetitive violent crimes. The NCAVC consists of the following four programs: Research and Development, Training, Profiling and Consultation, and the Violent Criminal Apprehension Program (VICAP). VICAP analyzes unsolved homicides, compares information, and links similar cases together from throughout the United States so that a coordinated investigation can take place.

Six investigators from major law enforcement agencies completed a one-year fellowship in advanced behavioral science techniques in the NCAVC, bringing the total number of graduates of this unique program to eleven.

• Other State, Local, and Foreign Police Training

During 1986, FBI instructors provided 61,582 hours of instruction in 5,467 law enforcement schools attended by 194,082 criminal justice practitioners in the field.

Instructors from FBI Headquarters supported this field training effort in a variety of subjects such as Forensic Science Applied Criminal Psychology, Identification Matters, Management, Uniform Crime Reporting, Arson, Death Investigation, and Instructor Development. The Training, Laboratory, Identification, Criminal Investigative, and Technical Services Divisions offered a total of 478 specialized schools to local, county, and state criminal justice personnel, reaching more than 33,987 students.

As an adjunct to police training matters, the FBI has traditionally offered training in ongoing courses to a few select foreign police officers. Since 1938, the FBI has trained, through the National Academy Program, 803 officers from friendly foreign nations, and there are 187 graduates from U. S. territories and possessions. In 1982, the FBI began a pilot program in Puerto Rico to train foreign police officers in basic criminal investigative matters. The training program is now an

established FBI school called the Caribbean Police School (CPS) and was offered twice each year since 1982, each session lasting four weeks. During the ten sessions, 235 mid-management officers were trained: 41 from Puerto Rico, 19 from the U. S. Virgin Islands, 31 from the U. S. Navy and U. S. Army, and 144 from 18 foreign countries.

LABORATORY SERVICES

The FBI Laboratory is one of the largest and most comprehensive crime laboratories in the world. Since its inception in 1932, it has provided leadership and service in the scientific solution and prosecution of crimes in the United States.

FBI Laboratory services are funded and administered under two programs: Forensic Services - Federal and Forensic Services - Non-Federal. Although a distinction is made in administering funds and capturing statistics, all Laboratory examiners and technicians work in both programs using the same laboratory facilities and instrumentation.

Under the Forensic Services - Federal program, FBI Laboratory examiners participate in ongoing field investigations by conducting crime-scene searches; performing special surveillance photography; executing search warrants; and providing other on-scene scientific and/or technical services as necessary. Forensic examinations of evidence are performed in the Laboratory in support of FBI, DEA, and other Federal investigations. Expert court testimony and demonstrative evidence are provided as necessary to enhance prosecutive efforts. Funding in this program also supports an active and successful forensic science research program and forensic science training for Federal investigative crime laboratory personnel at the Forensic Science Research and Training Center; specialized photographic and investigative equipment in support of ongoing investigations; oversight of such programs as the Polygraph Program, the Foreign Language Services Program, and the Photographic Equipment Program; and the training, publication, research, and operational support provided by the Bomb Data Center.

Under the Forensic Services - Non-Federal program the extensive resources of the FBI Laboratory are made available to state and local law enforcement agencies throughout the United States. The present policy is to concentrate on providing sufficient training to state and local crime laboratory examiners of physical evidence to increase their professionalism. Direct services will continue to be provided when law enforcement agencies do not have access to jurisdictional laboratories and where the jurisdictional laboratory does not have the necessary instrumentation and/or expertise to perform the indicated examination.

The success of efforts to increase the professionalism of state and local law enforcement agencies through providing highly specialized training in forensic disciplines to their crime laboratory examiners, is dependent upon adequate funding for this program. Much of this training is not available anywhere else in the United States and without it jurisdictional laboratories would find it difficult to improve and expand their capabilities.

EXHIBIT NO. 55

• FBI Laboratory Accomplishments

During 1986, the FBI Laboratory received 18,723 requests for examinations containing 162,853 specimens of evidence. More than 1,294,700 examinations were performed on these specimens. Of the examinations performed, approximately 907,600 were in support of FBI and other Federal investigations. The remaining approximately 387,100 were performed at the request of state, county, and municipal law enforcement agencies. During the past year, Laboratory examiners responded to 1,022 commitments for testimony in courts of various jurisdictions throughout the United States. These commitments required the expenditure of 2,120 workdays.

Other notable accomplishments include the preparation of 8,402 investigative and prosecutive aids and the processing of 1,226,536 photographic prints.

• Current FBI Laboratory Research and Training Efforts

The Forensic Science Research and Training Center (FSRTC), located at the FBI Academy, was formally opened and dedicated June 16, 1981. This unique facility houses both research and training laboratories and classrooms. The FSRTC is meeting the needs of the forensic science community by providing the necessary environment for practical "hands-on" training and applied research.

The training programs offered at the FSRTC are designed to maximize the use of physical evidence in the solution and prosecution of crimes; to enhance the professionalism of state and local crime laboratory personnel; and to meet the needs of Federal crime laboratory personnel. During 1986 this training was provided to 924 National Academy Students; 435 new FBI Agents; 240 new DEA Agents; 1,528 students in specialized forensic science courses primarily for state and local cri e laboratory and law enforcement personnel; and 378 FBI in-service personnel.

During the past fiscal year the Laboratory hosted four major symposia. These symposia, attended by scientists from throughout the United States as well as eight foreign countries, included "The 14th Annual Symposium on Crime Laboratory Development," "The International Symposium on Driving Under the Influence of Alcohol and/or Other Drugs," "An International Symposium on the Forensic Applications of Digital Image Processing," and "An International Symposium On Forensic Immunology."

To stay abreast of advancing technology and to better meet the needs of the law enforcement community, the FBI Laboratory engages in a research program which encompasses the entire range of forensic disciplines. Specific targets are selected through close liaison with FBI investigators as well as

other Federal, state, and local law enforcement personnel. Results of research efforts are shared through publication of the "Crime Laboratory Digest," which is circulated throughout the law enforcement community and through articles published in various scientific journals. In 1986 the areas of concentration included biochemistry, immunology, chemistry, physics and polygraph. The most noteworthy advances included two new human bloodstain examination techniques which have been implemented into the caseworking protocol of the Serology Unit. These methods are more powerful and reliable than those previously used and allow for the examination of more samples in a given period of time than was previously possible.

Following are exhibits showing annual laboratory examinations for Federal, state, and local law enforcement agencies for the period 1982 through 1988 and the laboratory assistance to non-Federal law enforcement agencies in 1986.

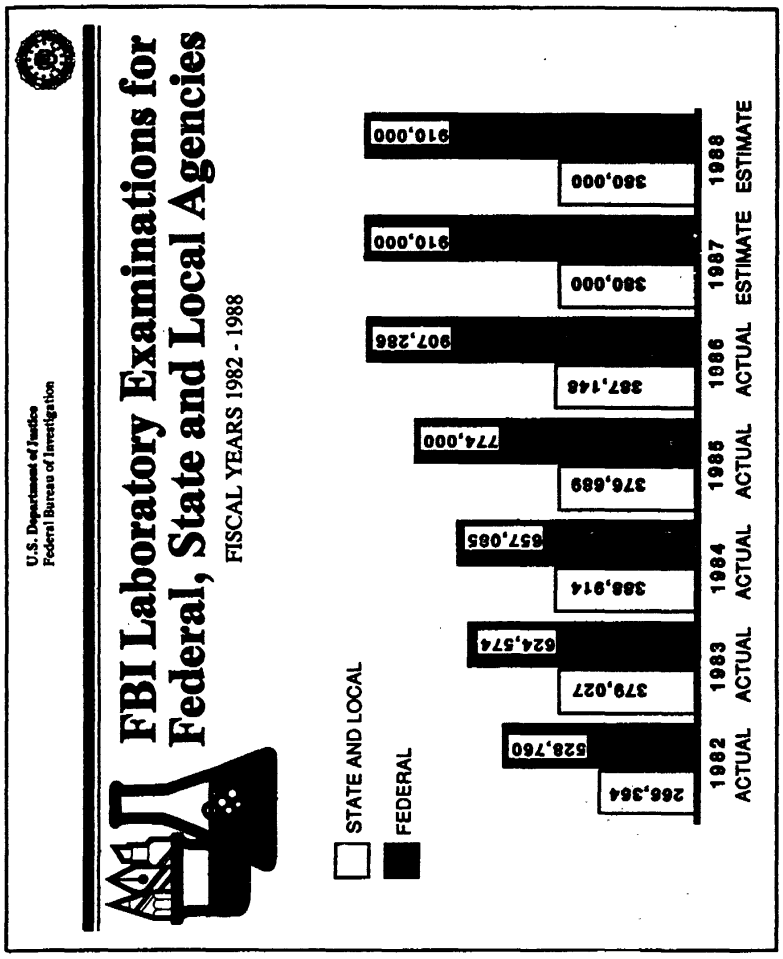


EXHIBIT NO. 56

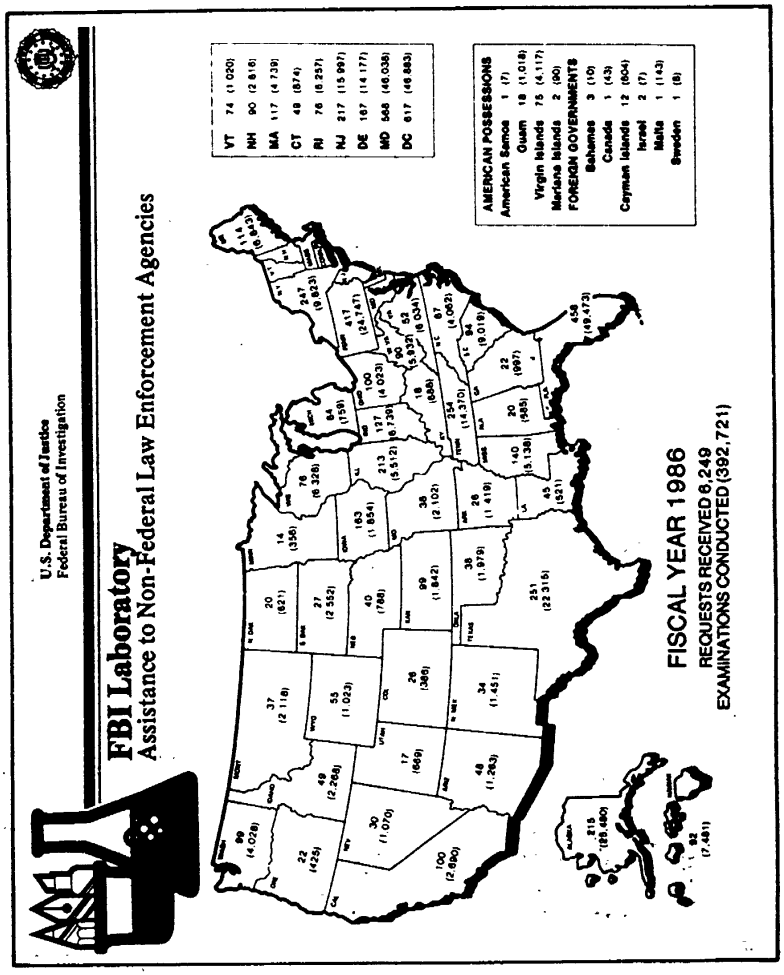


EXHIBIT NO. 52

FINGERPRINT IDENTIFICATION

The FBI's Identification Division serves as the Nation's centralized repository and clearinghouse for fingerprint records. In that capacity, the FBI furnishes identification and criminal history record services to over 23,000 agencies which are authorized to use these services by Federal statutes, regulations, and Executive Orders. The FBI's fingerprint files act as a "locator" or "index" of criminal arrest activity throughout the United States, thus avoiding time-consuming and costly checks of all 50 states to ascertain a person's complete criminal history.

When the FBI was authorized by Congress in 1924 to collect and disseminate fingerprint cards and arrest record information, it began operations with about 810,000 fingerprint cards. As of January 1, 1987, the FBI possessed over 179 million fingerprint cards, of which over 94.5 million contain criminal history data for over 23.6 million persons. The remaining 84.7 million fingerprint cards relate to over 36 million persons who have been fingerprinted in connection with employment in Federal agencies, military service, alien registration, and personal identification.

The reliance placed upon the FBI's services is evidenced by its enormous workload. During each workday of 1986, the Identification Division received an average of 50,553 pieces of mail, of which 29,696 were fingerprint cards and 20,857 were other types of mail, including name check requests, arrest disposition reports, expunction/purge requests, and requests by individuals to review and/or revise their records. These items of mail were submitted by Federal, state, and local criminal justice agencies for law enforcement purposes; Federal, state, and local government agencies and officials for employment and licensing purposes; authorized foreign governments for international police cooperation purposes; and banking and securities and commodities futures institutions for employee security purposes.

The FBI provides the following services: arrest and applicant fingerprint card identification and recordkeeping; posting of wanted and parole/probation notices; examining physical evidence for latent fingerprints and the providing of court testimony as to the results of examinations, if needed; training in fingerprint science; maintaining fingerprint records of persons currently reported missing; and the identifying of amnesia victims and unknown deceased persons.

Major accomplishments during 1986 included: the processing of over 7.3 million fingerprint cards and over 5.1 million pieces of other correspondence; the identification of 19,199 fugitives by their fingerprints; the handling of 15,487 latent fingerprint cases, some of which involved the use of advanced laser technology; the furnishing of assistance in the

identification of deceased victims in four air disasters, a hijacking in Malta, a mining disaster in Castle Dale, Utah, and the Space Shuttle disaster at the Kennedy Space Center, Cape Canaveral, Florida.

Since 1983, the FBI has operated a user-fee system in which a fee is charged for processing each applicant fingerprint card submitted by banking institutions, securities and commodities future industries, and state and local employment and licensing authorities. These fees are used to pay for the personnel and related nonpersonnel costs of providing this service. During 1986, the FBI processed 1,038,179 revenue-producing fingerprint cards and collected $13,553,757 in processing fees.

• Fingerprint Identification Accomplishments

Major work production accomplishments of the FBI's Identification Division for 1986 include:

Category of Accomplishment	Number of Accomplishments
Fingerprint cards processed	7,310,613
Correspondence, forms, and name checks processed	1,469,864
Expedite and special requests processed	213,539
Disposition reports processed	3,022,686
Wanted and probation/parole notices maintained on file	116,773
Fugitives identified by fingerprints	19,199
Expungement and purge requests processed	401,774
Nonserious offense entries deleted from arrest records	103,387
Latent fingerprint cases handled	15,487
Suspects identified as the result of latent fingerprint examinations	3,747
Federal, state, and local court appearances made by FBI Latent Fingerprint Examiners	310
Sentences in cases where court appearances made:	
Prison terms (years)	3,203
Life sentences	23
Death sentences	10

• Automation of Fingerprint Identification Operations

The FBI has pursued a program to automate the work operations of the Identification Division for nearly 18 years. Starting in 1967, the FBI sponsored research to develop: (a) computerized equipment which would automatically scan and read inked fingerprints appearing on fingerprint cards; and (b) computer programs which would compare and match the computerized fingerprint data. By 1969, experimental models of fingerprint reader equipment and matching programs had been successfully demonstrated. A study performed in 1971 concluded that it would be technically, economically, and operationally feasible to incorporate automated fingerprint reader and matching equipment, as well as name searching and response generation capabilities, into the FBI's fingerprint work operations. Consequently, the FBI devised an overall plan to develop a fully automated system to be known as the Automated Identification Division System (AIDS). Due to the magnitude of the automation task, it was necessary to divide the project into three phases (AIDS-I, AIDS-II, and AIDS-III) and implement the phases over a period of several years.

The following progress has been achieved toward the goal of fully automating the FBI's fingerprint work operations:

Year	Fingerprint Identification Automation Milestones
1972	Prototype automatic fingerprint reader system is delivered to the FBI.
1973	AIDS-I operations begin on August 30, 1973. This phase provides for the building of a computerized file of identification and arrest data on first offenders, the printing of indices cards, and the generation of the "No Record" or arrest record responses to fingerprint cards and name check requests. To date, over ten million "first offender" records have been entered into the system and kept updated with subsequent arrest and disposition data.
1976-77	Five production-model fingerprint readers are delivered and placed into operation, converting the criminal fingerprint search file into computerized form. To date, over 18.6 million fingerprint cards have been converted.

Year	Fingerprint Identification Automation Milestones
1979	AIDS-II supersedes AIDS-I on October 18, 1979. This phase, which is the one presently operational, provides for enhanced capabilities, e.g., "on-line" versus "batch" processing, and computerized name searching in place of the manual name indices. Computerized name searching of the automated arrest record file was initiated on October 29, 1979, and now represents about 99 percent of the name searching performed. Also in 1979, pilot automated fingerprint searching operations are initiated in 1 of the 23 units of the criminal fingerprint searching file.
1981	A semiautomatic fingerprint reader system, with 20 input stations, is delivered. This equipment is used to computerize fingerprints which cannot be read by the fully automatic fingerprint readers due to low-quality inked fingerprints and latent fingerprints.
1982	An automated user-fee system is implemented to charge for the processing of noncriminal/non-Federal applicant fingerprint cards.
1983	Automated fingerprint searching operations are expanded to all units of the criminal fingerprint searching file. Presently, about 95 percent of the fingerprint searching is performed automatically.
1984	Over eight million "rap sheets" contained in the FBI's fingerprint files become available on-line through the National Crime Information Center (NCIC) telecommunications network as part of the NCIC Interstate Identification Index (III). The request and response are transmitted on-line in a matter of seconds to the many thousands of NCIC users throughout the country.
1985	The contract for the AIDS-Phase III was awarded on January 2, 1985, to Science Applications International of McLean, Virginia. This phase will combine all of the previously developed capabilities to make a fully integrated, highly efficient system.

During 1986, construction was implemented on the new major computer center for the AIDS-III. This system will replace two major automated systems and will reduce the Identification Division's processing time for fingerprint cards and other documents to one day. It will also support the NCIC's III concept for decentralizing arrest records. In July 1986, the contractor moved the development effort into the J. Edgar Hoover FBI Building after installing the AIDS-III computers in the new computer center. Computer programming has resulted in the second release for testing. AIDS-III is expected to be fully operational by the end of 1987.

Following are exhibits showing annual fingerprint card receipts from 1982 through 1988 and a breakdown by type of the number of fingerprint cards on file as of January 1, 1987.

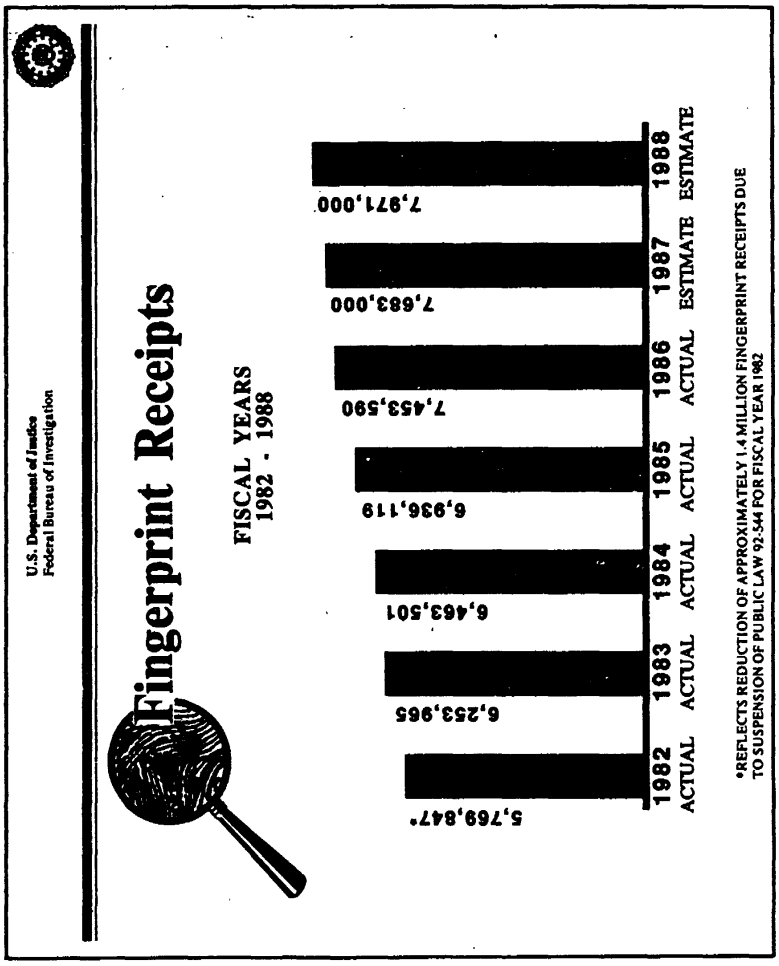
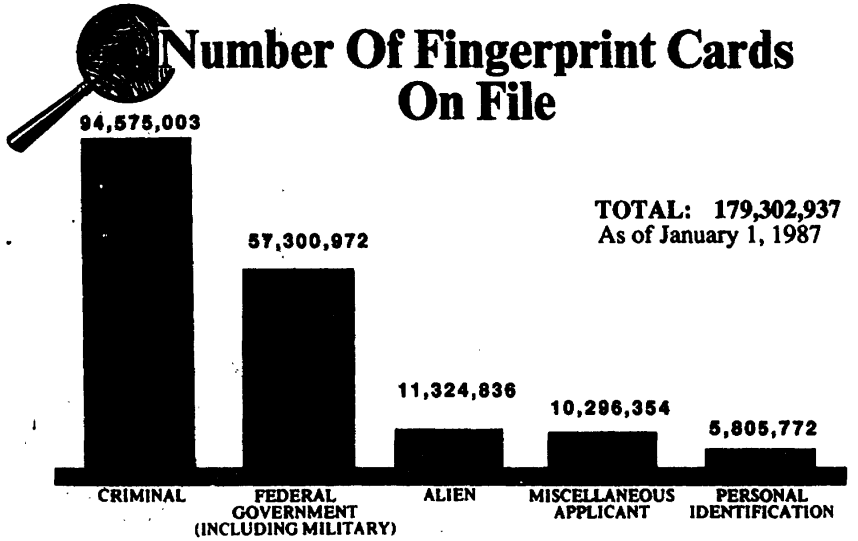


EXHIBIT NO. 59

U.S. Department of Justice
Federal Bureau of Investigation

Number Of Fingerprint Cards On File



TOTAL: 179,302,937
As of January 1, 1987

ESTIMATED NUMBER OF PERSONS REPRESENTED:

For the 94,575,003 fingerprint cards in the criminal file	23,653,206
For the 84,727,934 fingerprint cards in the civil file	36,297,429
TOTAL ESTIMATED PERSONS REPRESENTED	59,950,635*

* WITHOUT ACCOUNTING FOR PERSONS DUPLICATED IN BOTH FILES.

EXHIBIT No. 59

1967

RECORDS MANAGEMENT PROGRAM

The Records Management Program is multifaceted, consisting of several distinct functional units responsible for assuring that information is maintained and available to support FBI operations. Information management is no longer simply the management of hard copy records, but the management of the life-cycle of information regardless of the form information may take. The FBI has turned to meeting the challenge of information management life-cycle by exploring a wide range of modern technologies and applying those technologies to automate labor intensive processes and thereby increasing efficiency and effectiveness.

The Office of Automation and Information Management (OAIM) is responsible for all automated information management initiatives within the program, and continues to support the Field Office Information Management System (FOIMS). FOIMS increasingly brings advanced information management systems to support field offices and speeds the reporting of investigative operations and makes basic information available in a more manageable form.

Progress during 1986 included the conversion of 2.6 million more index records to an automated medium, bringing the total number of such records converted to over 16 million. Acceptance of name check requests in a form and format for automated searching has progressed to where approximately one-third of the requests from the largest name check requests contributors are processed automatically and a no record response is provided within 24 hours. Other major contributors are preparing to participate in this service.

The National Name Check Program processed 2,157,105 name check requests during 1986. These requests were from executive branch agencies, certain Congressional committees, the Federal judiciary, foreign police and other agencies, and state and local agencies within the criminal justice system. A total of 11,046 name checks associated with the July 4, 1986, Statue of Liberty celebration were processed for state, local, and Federal agencies, including the FBI.

Under the FBI's Security Program, a total of 3,328 security clearance investigations were performed, focusing on the "trustworthiness" of an individual for access to National Security Information. Additionally, 819 briefings/ debriefings for individuals and groups were performed and 5,268 security clearances or special accesses regarding FBI employees were certified. The Information Security Control program reviewed 21,487 documents for proper classification.

An automated records/retrieval system for all FBI employees having access to sensitive compartmented information became operational to more efficiently monitor and exchange information with other intelligence agencies.

EXHIBIT NO. 61

The Records Management Program, through cost-savings initiatives, realized a savings of $401,541 in mailing costs, and $151,085 in duplicating costs.

As a result of meticulous planning and formulation of strategy between the Records Management Division and the Department of Justice, Civil Division, the U.S. District Court, District of Columbia, vacated the permanent injunction against records destruction by the FBI on September 9, 1986. An aggressive file destruction and accession program has been implemented by the Records Management Division which will gradually relieve overcrowded conditions in the field.

During 1986, the Freedom of Information and Reform Act was passed. This was a major accomplishment and represents the culmination of an effort toward reform which began in 1979. It provides the statutory tools with which to assure greater protection for sources and sensitive investigations. The Freedom of Information and Privacy Act Section received 12,193 requests, reopened an additional 609, and processed/closed 11,772 inquiries. In addition, 852 administrative appeals, and 107 FOIPA litigation matters were resolved.

The following exhibit shows the progress in the conversion to an automated medium of the FBI Headquarters general index.

FBIHQ INDICES CONVERSION

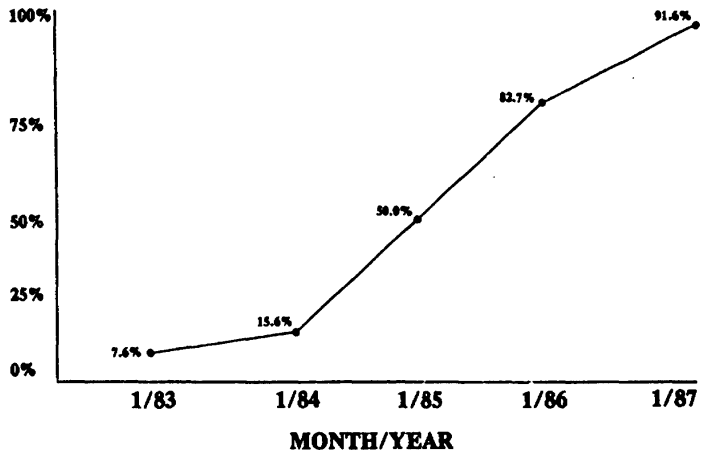


EXHIBIT NO. 25

1970

AUTOMATED DATA PROCESSING AND TELECOMMUNICATIONS OPERATIONS

The Automated Data Processing and Telecommunications (ADP/T) program provides the FBI with information collection, storage, retrieval, and dissemination capabilities through the use of automated data processing, telecommunications, and word-processing resources. The FBI uses ADP/T resources to directly support investigative as well as administrative requirements whenever it will achieve greater efficiency. In addition to meeting its own requirements, the FBI also dedicates a significant amount of its data processing resources to support certain related needs in the entire criminal justice community. Investigative, administrative, and law enforcement support information systems are managed centrally to make the most efficient use of the FBI's computer resources.

- Expert System Development

In 1984, the FBI began an initiative to apply artificial intelligence (AI) techniques to support several specific high-priority investigative needs consistent with the FBI's Long Range Automation Strategy. The FBI has initiated efforts to apply AI in the form of knowledge-based expert systems to support investigations in the areas of labor-racketeering, narcotics, counterterrorism, and generic name searching. Significant progress in the development of a broad range of AI applications has been made during the 1985-1986 time frame, particularly in the successful fielding of AI applications; however, because of limited resources, continued AI development will be restricted to minimal efforts sustained by in-house personnel during 1988.

Following are charts showing computer center resources distribution, professional ADP personnel utilization, and field office computer workstation installations.

EXHIBIT NO. 63

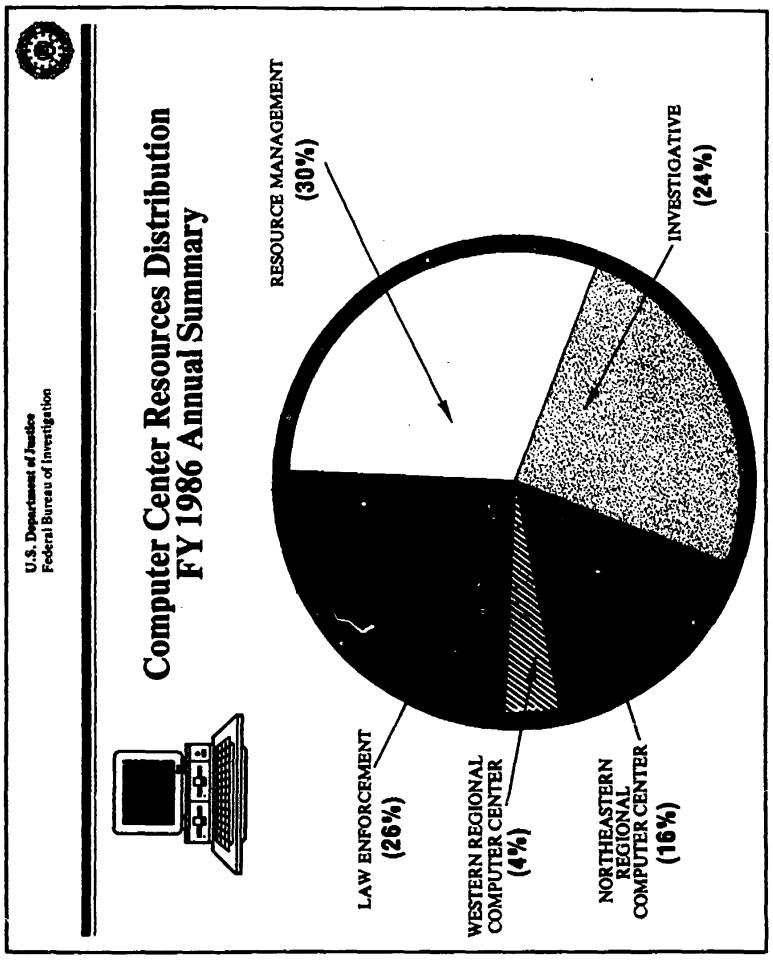


EXHIBIT NO. 66

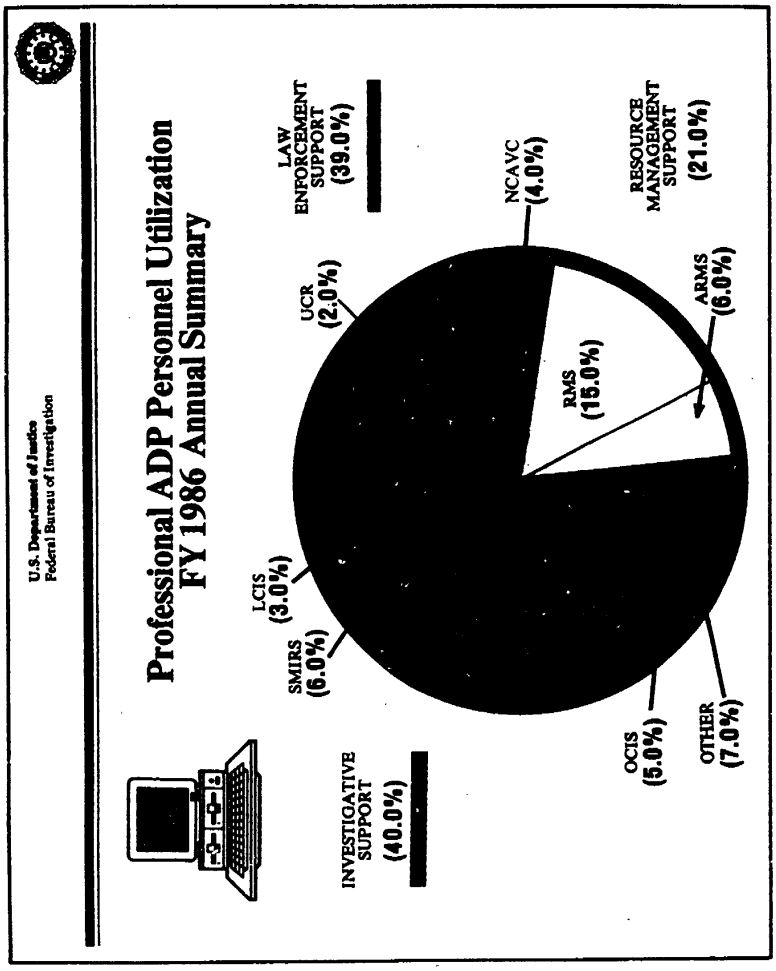


EXHIBIT NO. 65

U.S. Department of Justice
Federal Bureau of Investigation

Field Office Computer Workstation Installations

Fiscal Years 1982 - 1988

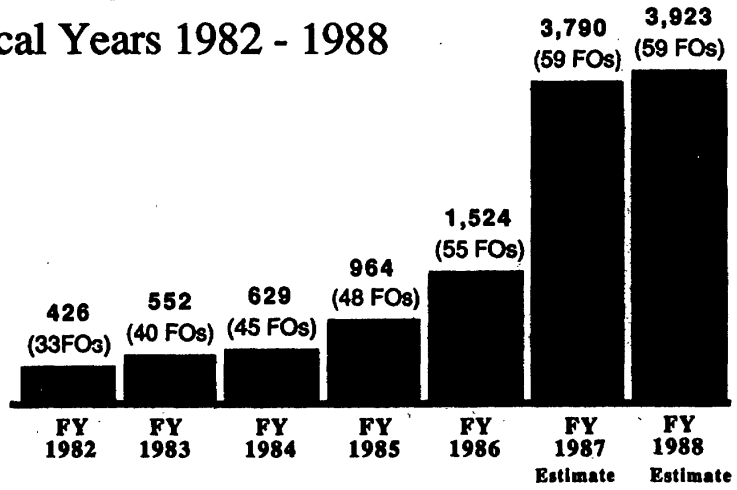


EXHIBIT NO. 35

1974

NATIONAL CRIME INFORMATION CENTER

The National Crime Information Center (NCIC) is a nationwide criminal justice information teleprocessing network which provides documented criminal justice information to the entire criminal justice community. NCIC contains records on stolen property, i.e., vehicles, license plates, guns, securities, boats, and serialized articles; wanted persons for whom arrest warrants are outstanding; criminal histories on persons arrested for serious offenses; unidentified persons; and missing persons meeting specific entry criteria. An NCIC Advisory Policy Board, made up of Federal, state, and local criminal justice officials, furnishes advice to the FBI Director on policy matters concerning NCIC operations and thereby allows the users a voice in the overall management of the system. The users of NCIC, which include the criminal justice agencies in the 50 states, all Federal law enforcement agencies, the Royal Canadian Mounted Police, the Police of the Commonwealth of Puerto Rico, and the United States Virgin Islands, obtain these services on a cost-free basis.

• NCIC 2000 Project

NCIC became operational 20 years ago, on January 27, 1967. At that time there were 15 agencies participating. During the first year of operation, NCIC logged 2,500,000 transactions--an average of 6,580 per day. At the end of 1967, approximately 357,000 records had been entered in the system. By 1986, the number of participating agencies had grown to over 57,000, with over 183,000,000 transactions recorded--an average of more than 500,000 per day. As of January 1987, more than 183,000,000 records were maintained in the NCIC data base.

In 1985, the FBI and representatives of the NCIC user community developed a statement of work to define NCIC functional requirements through the year 2000. The resulting blueprint for the redesign of NCIC calls for using state-of-the-art technology and includes features to improve and maintain accuracy and completeness of data in NCIC. In 1986, the FBI contracted services from the MITRE Corporation to conduct an analysis of NCIC's functional requirements through the year 2000. This system design study will be completed in 1988.

Following are exhibits that show annual NCIC transactions from 1982 through 1986 and a breakdown of records entered in NCIC, as of January 1, 1987.

EXHIBIT NO. 67

U.S. Department of Justice
Federal Bureau of Investigation



NCIC Transactions
Fiscal Years 1982-1986

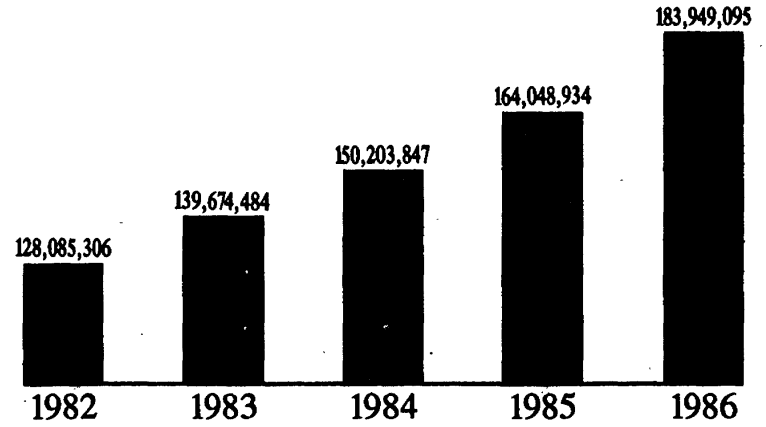
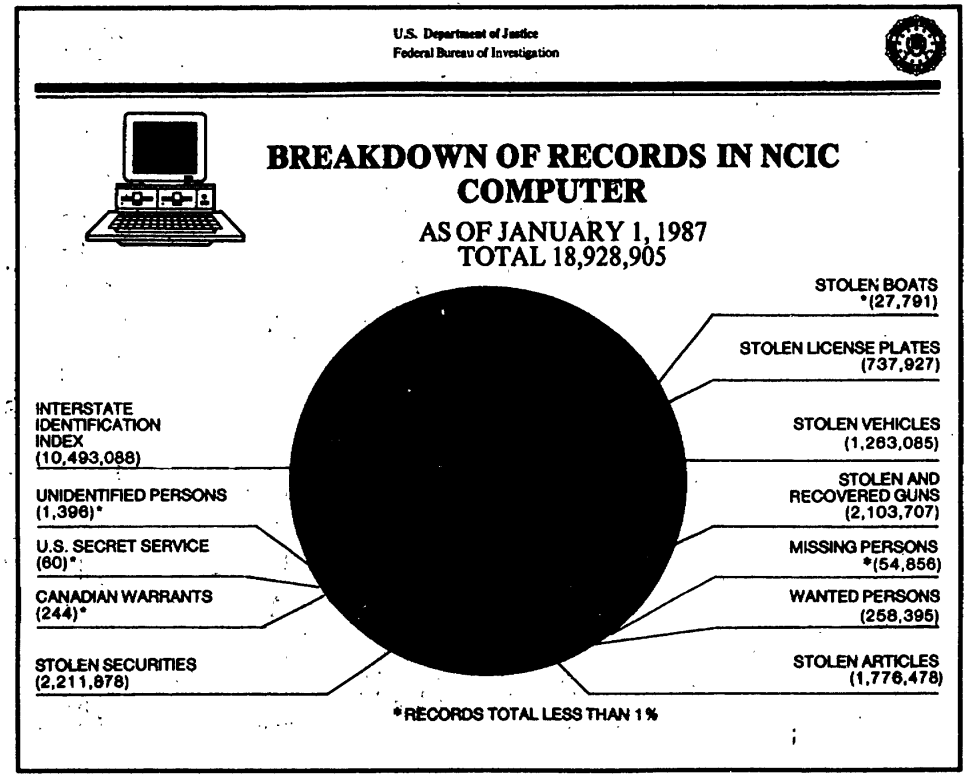


EXHIBIT NO. 18

1976


U.S. Department of Justice
Federal Bureau of Investigation
BREAKDOWN OF RECORDS IN NCIC COMPUTER
AS OF JANUARY 1, 1987
TOTAL 18,928,905
STOLEN BOATS *(27,791)
STOLEN LICENSE PLATES (737,927)
STOLEN VEHICLES (1,263,085)
STOLEN AND RECOVERED GUNS (2,103,707)
MISSING PERSONS *(54,856)
WANTED PERSONS (258,395)
STOLEN ARTICLES (1,776,478)
INTERSTATE IDENTIFICATION INDEX (10,493,088)
UNIDENTIFIED PERSONS (1,396)*
U.S. SECRET SERVICE (60)*
CANADIAN WARRANTS (244)*
STOLEN SECURITIES (2,211,878)
*RECORDS TOTAL LESS THAN 1%

UNIFORM CRIME REPORTING PROGRAM

The Uniform Crime Reporting program was conceived and implemented by our Nation's law enforcement agencies in 1930. At its inception, two basic needs were recognized. First, it was believed the American people deserved an accounting of the extent and nature of criminal activity. Second, law enforcement leaders needed an administrative tool to better manage their departments.

On a monthly basis, statistical data concerning the incidence of criminal acts from over 16,000 individual law enforcement agencies nationwide is collected. Data collection is grouped according to certain basic types of offenses, namely, murder, forcible rape, robbery, aggravated assault, burglary, larceny-theft, motor vehicle theft, and arson. These categories comprise the Crime Index. Additionally, statistical information on arrests, property loss, and other factors relevant to criminal activity is aggregated. Collected and analyzed data are disseminated in various formats, such as:

-Semiannual releases on crime trends, law enforcement officers killed, and bombing incidents, and

-Annual publications of "Crime in the United States," "Law Enforcement Officers Killed and Assaulted," "Bomb Summary," and "Arson."

Substantial cooperative efforts at all levels of the law enforcement community are necessary in gathering the data upon which the Uniform Crime Reporting program depends. The benefits derived from the program are indeed significant and have resulted in an increased understanding of the crime problem which confronts the citizenry of this country.

Currently, the entire Uniform Crime Reporting program is undergoing an extensive redesign. Numerous offenses have been defined and added to the Crime Index, and data elements for incident and arrest reports have been identified for collection in the enhanced program. The Uniform Crime Reporting Program in the State of South Carolina was selected to serve as the test site for implementation of the new system, and guidelines were prepared outlining the functional data requirements and data linkings for automated collection in the new system. The test is scheduled to begin in the spring of 1987.

The Special Arson Program began collecting arson data in January 1987. In late 1986, over 30,000 handbooks and 100,000 arson incident reports were mailed to fire and arson investigators across the country in preparation for the new program.

The following exhibit shows the percent change in Uniform Crime Reporting program index offenses between the years 1985 and 1981.

EXHIBIT NO. 70

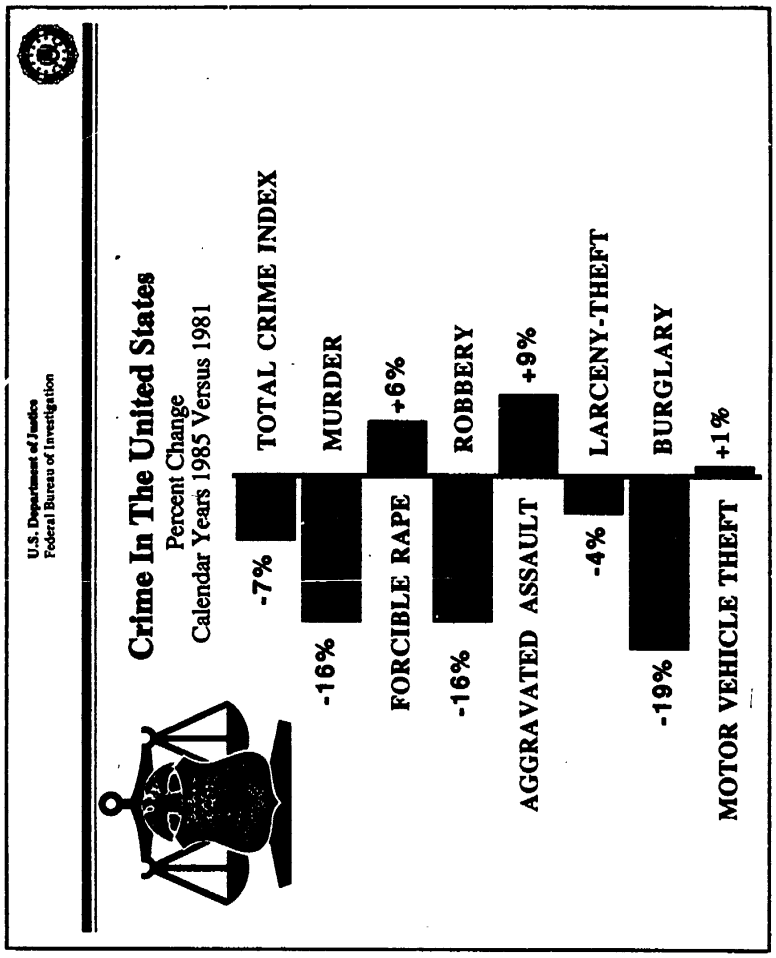


EXHIBIT NO. 71

1980

PROGRAM DIRECTION

THE PROGRAM DIRECTION BUDGET ACTIVITY PROVIDES RESOURCES FOR THE EXECUTIVE DIRECTION AND CONTROL AND ADMINISTRATIVE SERVICES PROGRAMS. THESE PROGRAMS SUPPORT THE EXECUTIVE MANAGEMENT, LEGAL, PLANNING, INSPECTION, ADMINISTRATIVE, AND FINANCIAL MANAGEMENT FUNCTIONS OF THE FBI. DURING 1988, THE FBI WILL REQUIRE 1,282 POSITIONS, 1,245 WORKYEARS, AND $56,617,000 FOR PROGRAM DIRECTION ACTIVITIES.

INCREASED RESOURCES ARE REQUESTED FOR THE ADMINISTRATIVE SERVICES PROGRAM TO MAINTAIN EFFICIENT FINANCIAL SERVICES AND EFFECTIVE PERSONNEL MANAGEMENT, INCLUDING THE RECRUITING AND HIRING OF AGENT AND SUPPORT PERSONNEL.

EXHIBIT NO. 72

ADMINISTRATIVE SERVICES PROGRAM

The goal of the Administrative Services Program is to provide a complete range of administrative services required to maintain the FBI as a functional entity. This goal is supported through four program areas.

• Personnel Services Program. The Personnel Services Program is responsible for: the administration, coordination, and policy formulation of pay administration, retirement, leave, safety, disciplinary action, employee performance, recognition, and orientation, applicant recruitment, employee transfers, and compiling and reporting personnel statistical data. This program is also responsible for the administration of the Performance Appraisal and Merit Pay Systems, coordination and implementation of the FBI's Equal Employment Opportunity and Affirmative Action Programs, and Employee Assistance Program, to include the Mandatory Drug Deterrence Program.

• General Services Support Program. This program is responsible for the procurement of all equipment, goods, services, and supplies. Additionally, the General Service Support Program manages FBI equipment, inventory, and stock, as well as processes property seized in forfeiture actions. Other responsibilities include printing, warehousing, security, safety, and space management, including the acquisition, alteration, renovation, and release of GSA controlled space.

• Systems Support Program. The Systems Support Program is responsible for preparing the FBI's payroll and distributing statements of earnings, salary and expense checks, leave accounting records, and savings bonds. Also handled by this program are relocation and travel matters and vouchers relating to field support accounts, imprest fund, and undercover operations.

• Financial Management Program. This program provides overall direction and control in all phases of accounting functions, including all types of voucher payments and procurements, coordination of the automation of the financial accounting system, and preparation of various financial reports and schedules.

Following are exhibits showing FBI Special Agents hired and Drug Enforcement Administration applicants processed by the FBI.

EXHIBIT NO. 73

U.S. Department of Justice
Federal Bureau of Investigation

Special Agents Hired
Fiscal Years 1982-1986

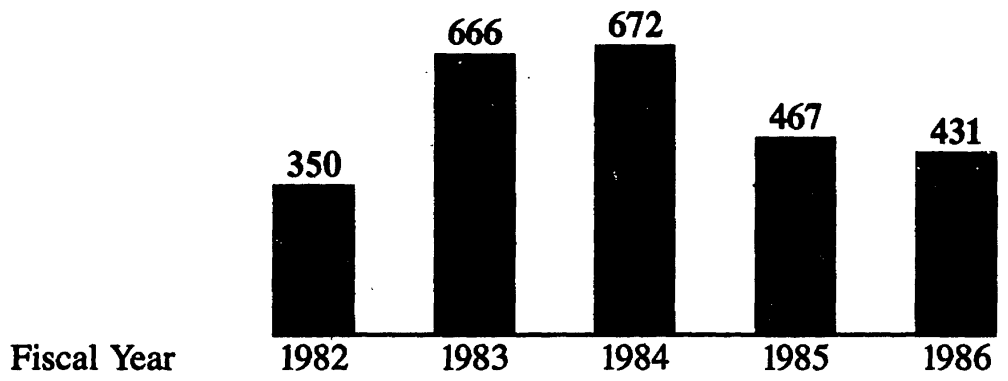


EXHIBIT NO. 14

1982

U.S. Department of Justice
Federal Bureau of Investigation

Drug Enforcement Administration

Applicant Cases Processed
Fiscal Years 1982-1986

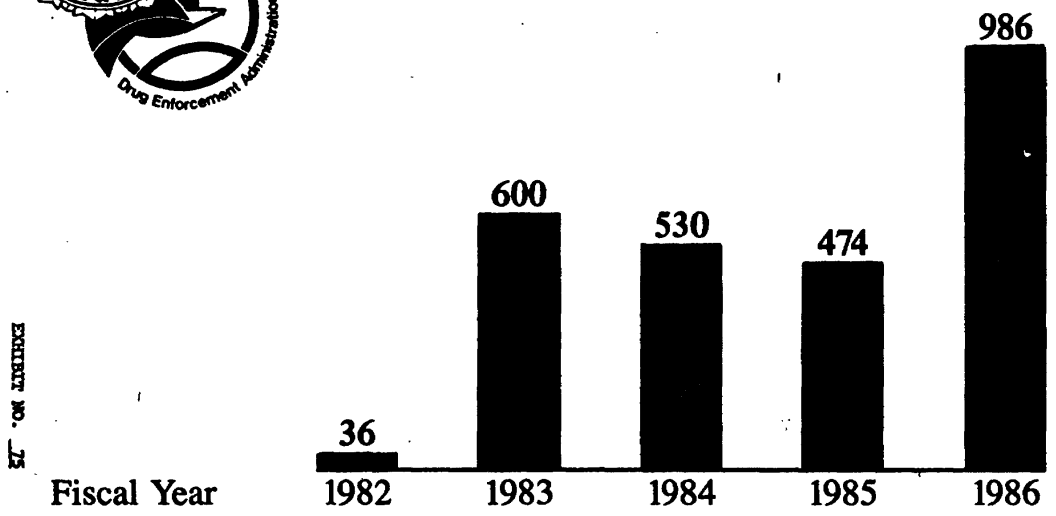


EXHIBIT NO. 15

1983

Mr. SMITH. Just one more question on that. You have explained today all the important things you have to do. Should you be geting involved in such things as thievery of television sets?

Mr. WEBSTER. No. There has to be—for any FBI investment of resources, as distinguished from some help to a local police department——

Mr. SMITH. You usually encourage local police departments to set up the sting, but should be spending your resources even on that?

Mr. WEBSTER. If we thought we were talking about hijacked trucks or talking about major organized crime participation in some kind of program, then we might want to be in there. But I think street crime is largely the problem of local police.

Mr. SMITH. In that case, you are looking for somebody that buys the stuff?

Mr. WEBSTER. That is correct. We are looking for somebody who is selling that kind of equipment who was in that business.

For instance, we have used undercover techniques to identify major chop shop activities in which huge automobile rings are stealing vast numbers of automobiles, chopping them up, and participating. I think that is an appropriate use to identify those organizations and break them up.

But in order to do that we have to move in and be considered a customer. Or a supplier or a thief.

Mr. SMITH. Any other questions?

Mr. ROGERS. Yes.

Mr. SMITH. Mr. Rogers.

Rogers. Could we go off the record, Mr. Chairman.

Mr. SMITH. Yes.

[Back on the record.]

Mr. ROGERS. Thank you, Judge.

Thank you, Mr. Chairman.

Mr. SMITH. Thank you, Mr. Director. Again we thank you for your cooperation and the excellent working relationship we have had all these years.

You have rendered a great service to that institution and the country.

Mr. WEBSTER. Thank you very much, Mr. Chairman.

Mr. SMITH. We wish you well in your new job.

Mr. WEBSTER. Thank you very much. Thank you.

[The questions for the record and the answers submitted thereto, follow:]

QUESTIONS FROM MR. NEAL SMITH

Federal Bureau of Investigation

Question:

The appropriation language schedule in your 1988 Congressional submission includes a change in the level of representation funding from $45,000 to $70,000. Would you explain why this increase is needed?

Answer:

A total of $70,000 is requested for representation funds and is required to provide additional funding for FBI Headquarters, Field Divisions, and Legal Attaches to accommodate the representatives of friendly foreign law enforcement agencies and official representatives. Due to the international aspects of some terrorism, white-collar crime, organized crime, fugitive, and narcotics cases, there is a need to have funds to represent the FBI properly in the company of foreign law enforcement agencies. In many instances, such official activities are to reciprocate for hospitality afforded to FBI representatives by foreign law enforcement agencies. These funds provide the opportunity to expand working relationships between the FBI and friendly foreign services and afford liaison opportunities.

Question:

Your 1987 request included a proposal to charge State and local attendees for the full cost of their meals and lodging while in training at the National Academy. Does your 1988 request include a proposal to charge State and local attendees? What is the FBI's position on this?

Answer:

The "Department of Justice Appropriation Act, 1987" stated in part that "The Director of the Federal Bureau of Investigation (FBI)... shall not establish and collect fees to provide training to State and local law enforcement officers at the FBI National Academy. Any fees collected for training of State and local law enforcement officers, which occurred at the National Academy on or after October 1, 1986, shall be reimbursed to the appropriate officer or agency." In fact, the FBI did not collect any such fees in 1987.

For 1988, the FBI's budget does not propose to charge State and local law enforcement for training at the FBI Academy. Funding for this training, including monies for travel, food, and lodging, is included in the FBI's base.

Question:

During 1986, two agents were killed and several others critically wounded near Miami, Florida. Does the FBI have adequate funding

72-165 O—87——63

available to purchase the firearms necessary to put its agents on a par with those in the criminal element? In general, does the FBI have sufficient resources to provide to its field agents to prevent another tragedy such as the one at Miami?

Answer:

As a result of the Miami incident, a detailed study was conducted concerning the FBI weapons inventory. Based on the FBI's analysis of the Miami tragedy and intelligence concerning the type of firearms being utilized by the criminal element, who might be subjects of drug or violent crime investigations, the FBI needs to enhanced its weapons for the safety of field Agents. The types of weapons needed to put FBI special agents on par with those of the criminal element include semiautomatic handguns, semiautomatic shoulder weapons, sniper rifles, shotguns, and additional protective gear such as body armor and night vision equipment.

An assessment of our firearms and related equipment base funding revealed the FBI does not currently have adequate funding available to purchase enhanced firearms for field agents, and would require an additional $1.2 million in order to purchase suitable equipment.

Question:

Your request includes a request for a specially equipped surveillance aircraft. What are the total funding increases associated with this request? Why is another specially equipped surveillance aircraft needed?

Answer:

Included in the budget enhancement is $3,500,000 for the purchase of one twin-engine turboprop aircraft with a Forward Looking Infrared (FLIR) system. This amount includes $2,000,000 for the aircraft, $500,000 for the FLIR, and $1,000,000 to modify the aircraft to install the FLIR.

With only one FLIR-equipped aircraft in our inventory, the FBI is unable to respond to more than one major case at a time, and during periods of scheduled or unscheduled maintenance, the FBI has no FLIR-equipped capability at all. A second aircraft will permit the FBI to respond to two major cases occurring simultaneously, will still permit the FBI to have a FLIR capability during maintenance periods, and will improve response time to the West Coast.

Terrorism Program

Question:

On page three of your justification you discuss the number of terrorist incidents prevented. Are these incidents here in the United States or overseas? Without compromising your methods or

procedures, could you describe one of these events to include how you uncovered it and how you prevented it from occurring?

Answer:

During calendar year 1986, the FBI prevented eight terrorist incidents. Six of the prevented incidents would have occurred in the United States, the other two overseas, one being in Canada.

The FBI received information from Canadian authorities indicating that Sikh terrorists intended to plant an explosive device in an Air India facility or aircraft, either in Canada or at JFK International Airport, New York. This information seemed plausible because of the June 23, 1985, downing of an Air India jetliner which killed 329 persons over the North Atlantic.

Investigations, determined that New York City is the only point of departure for Air India aircraft in North America. Subsequent joint investigative efforts by the FBI and the Royal Canadian Mounted Police resulted in the identification of five individuals believed to be involved in a plot to bomb an Air India aircraft. On May 30, 1986, Canadian authorities arrested these five individuals and conducted searches at eight locations in the Montreal, Canada, area. The five persons arrested are believed to be Sikh terrorists and were taken into custody in Canada and charged with conspiracy to manufacture and utilize explosive devices with intent to cause injury. Accordingly, the joint efforts of the FBI and the Canadian authorities interdicted a potential bombing.

Two of these individuals have been convicted of this crime and sentenced to life imprisonment.

Question:

You also discuss on page three your new-found role concerning hostage-taking abroad. What exactly is the FBI's jurisdiction and authority to act overseas and could you give us some examples?

Answer:

The statutory authorities for the FBI's extraterritorial investigations regarding terrorism are in the "Act for the Prevention and Punishment of the Crime of Hostage-Taking", Public Law No. 98-473, (codified at 18 U.S.C. § 1203); and the "Omnibus Diplomatic Security and Antiterrorism Act of 1986," Public Law No. 99-399, (codified at 18 U.S.C. § 2331). In addition, extraterritorial authority exists in the Attorney General's authority to detect and prosecute crimes against the United States (28 U.S.C. § 533). These statutes were enacted to protect U.S. citizens abroad from terrorist attacks and to provide a legal vehicle by which terrorists could be prosecuted in the United States for crimes committed overseas.

Although the authority exists for such extraterritorial investiga-

tions, host country approval is necessary before the FBI can conduct an investigation in a foreign state's territory.

The FBI has conducted six major extraterritorial investigations resulting in indictments of terrorists. For example, Mohammed Ali Hamadei, whom the U.S. Government is attempting to extradite from West Germany, was indicted in connection with the hijacking of TWA Flight 847 which occurred in June 1985. Hamadei is charged with air piracy and murder.

Other extraterritorial investigations that have been conducted by the FBI are: the hijacking of the "Achille Lauro" in October 1985, on which 80 U.S. citizens were traveling and American Leon Klinghoffer was killed; the November 1985, hijacking of Egypt Air Flight 648, which had three U.S. citizens on board; TWA Flight 840, which had 90 U.S. citizens aboard when an explosion killed four Americans and the September 1986, hijacking of Pan Am Flight 73 in Karachi, Pakistan, which had 44 U.S. citizens aboard, two of whom were killed.

Question:

How many terrorist incidents took place in the United States during 1986? How does this number compare to previous years? To date, how many terrorist incidents have taken place in 1987? What impact does this have on resource level requirements?

Answer:

In calendar year 1986, there were 17 terrorist incidents in the United States. This compares with 51 in 1982, 31 in 1983, 13 in 1984, and seven in 1985. One individual was killed and 19 were injured as a result of the terrorist acts in 1986. To date, in 1987, there have been no terrorist acts committed in the United States.

Although the number of actual terrorist incidents recorded in the United States has generally declined, this favorable trend should not be regarded as a signal that eradication of terrorism is close at hand. More properly, the reduction in terrorist incidents in the United States closely corresponds to the FBI's acceleration of counterterrorist efforts which has been characterized by the steady commitment of resources, enhanced counterterrorism training and more efficient use of an increasingly effective intelligence base. Relaxation of current FBI efforts or reduction of resources available to counter terrorist activities in the United States would certainly be detected by terrorist organizations and individuals and could result in a reversal of what has otherwise been a general downturn in terrorist activity.

Drug Enforcement

Question:

Does your 1988 request provide the resources needed to implement your drug strategy?

Answer:

The FBI's National Drug Strategy (NDS) is a three to five year strategy and its implementation is in progress. The NDS resource requirements are not fully specified in the 1988 request because the FBI is in the initial phase of implementation. Concentration of resources is ongoing with the assignment of agents to major drug distribution centers. Resource needs will continue to be assessed in view of the progress achieved and the changing nature of the drug problem.

Question:

Twelve agent positions are being requested for Organized Crime Drug Enforcement. In light of all the recent publicity regarding the magnitude of the drug problem, are twelve agent positions adequate for addressing your responsibility in this area?

Answer:

Twelve additional agent positions are adequate to address our responsibilities at this time. The FBI commenced implementation of its National Drug Strategy (NDS), which is a three to five year strategy, in 1986. The NDS identifies those organizations which control the major segments of the illegal drug market. The early phase of the strategy concentrates resources in major drug distribution cities.

Question:

What level of resources has the FBI utilized in combating the drug problem as compared with its funded resources for this purpose? What level of resources would be required to really make a difference in combating the drug problem? Why are drugs so plentiful despite the best efforts of law enforcement agencies?

Answer:

Since the FBI received concurrent jurisdiction with DEA to investigate drug violations, in every year more agent resources have been used than were funded. The specific agent workyears utilized were:

Program	1983		1984		1985		1986	
	Funded	Used	Funded	Used	Funded	Used	Funded	Used
OCDETF	167*	183	321*	321	360	538	362	504
OC/NARC.	0	520	0	489	43	523	43	515

*Reimbursable funding received for the OCDE Program during 1983 and 1984.

To have a greater impact on the drug problem, the FBI redefined its drug mission in May 1986. This effort has assisted in focusing the FBI's efforts on those organizations controlling large segments of the illegal drug market, such as the Sicilian Mafia, the La Cosa Nostra, Colombian/South American trafficking organizations, Mexican trafficking groups, Oriental crime groups, and outlaw motorcycle gangs.

The implementation of the FBI's National Drug Strategy (NDS) began in 1986. The Strategy is a three to five year strategy that is evaluated continuously to measure the FBI's progress and resource needs.

The FBI believes that our drug law enforcement efforts have made a difference and that as the President's Commission on Organized Crime found "without effective domestic law enforcement, the drug abuse problem, and its concomitant organized crime effects, would be immeasurably worse."[1]

The drug trafficking and drug abuse problem facing the United States is of such magnitude that it will not be solved by investigative agencies alone. Long-term success will require a comprehensive program of both supply and demand reduction.

Drugs are plentiful despite law enforcement's best efforts because of the high demand for these controlled substances by the user population. Strong drug education, drug awareness programs, and drug treatment efforts are key steps which over time will greatly enhance law enforcement efforts to address the drug abuse problem in the United States.

Question:

What is the status of the 60 special agent positions and $4 million provided by the Senate Committee during the 1987 budget cycle to enhance the Organized Crime Drug Enforcement Program?

[1] America's Habit: Drug Abuse, Drug Trafficking, and Organized Crime, page 360.

Answer:

The allocation of 48 special agent positions has been made with our field office staffing levels adjusted accordingly. The positions are being filled through new agent training and reassignment of agents in the field. These allocations have been made principally to those cities identified as Level I and Level II drug distribution centers including Chicago, Los Angeles, and Miami. The FBI has also requested 12 additional agents to be deployed in 1988.

The allocation of agents is as follows:

Field Office	Additional OCDE Positions
Albuquerque	3
Atlanta	2
Chicago	6
Dallas	2
El Paso	2
Houston	4
Los Angeles	6
Miami	8
Philadelphia	2
Phoenix	3
San Antonio	4
San Diego	3
Washington Field	2
FBI Headquarters	1
TOTAL	48

Motor Vehicles

Question:

You request appropriation language to allow you to purchase additional motor vehicles in 1988. What is the number of additional vehicles and associated funding requested?

Answer:

The FBI is requesting that the appropriation language be amended to allow the FBI to purchase 1,650 replacement and 350 additional vehicles. The FBI is submitting this request for operational flexibility reasons and is not requesting any additional funds to support these language changes directly.

However, the FBI is requesting additional funding in the amount of $450,000 to purchase 30 additional vehicles for the Electronics Technicians requested to support the Digital Voice Privacy Program. Also, the new positions requested in this budget for the FBI will require 244 additional vehicles which will cost approximately $2,486,000.

Question:

You claim you require these vehicles to support investigative personnel increases over the past two years. What is the criteria used to determine vehicle requirements?

Answer:

The FBI uses a complex vehicle complement formula that takes into account every vehicle user and every different geographic area and assigns vehicles to users based on a graduated vehicle-to-user ratio. For example, a large field office has a less favorable vehicle-to-user ratio than a smaller office or resident agency, where public transportation is limited or non-existent. This complement formula has been in place since 1984 and has worked very effectively in equitably distributing the FBI's vehicle resources.

As a rule of thumb the following vehicle-to-user ratios apply:

Personnel-To-Vehicle Ratio

Special Agents (SAs).....	1.4 : 1
Special Operations Group SA.....	1 : 1
Special Support Group Personnel.....	1.5 : 1
Electronics Technicians.....	1.5 : 1
Accounting Technicians.....	2 : 1
Investigative Analysts.....	1 : 1
Forfeiture Analysts.....	1 : 1
Organized Crime Drug Enforcement (OCDE).....	1.25: 1

Question:

Assuming the Congress approves your personnel increases for 1988, what is the total number of vehicles required by the FBI and how does this compare to your current inventory?

Answer:

Of the 718 positions requested by the FBI in 1988. The following new requirements are summarized as follows:

253	Special Agents	- 181 vehicles
50	Electronics Technicians	- 33 vehicles
40	SSG Personnel	- 27 vehicles
6	Accounting Technicians	- 3 vehicles
	Total	244 vehicles

Thirty additional, vehicles are requested for existing Electronics Technicians.

Current FBI base funding in 1988 allows for the purchase of approximately 1,613 vehicles.

Cumulatively, these total 1,887 vehicles, which will represent 26 percent of the FBI fleet of approximately 7,100 vehicles.

Question:

Of your total current inventory, how many vehicles exceed your replacement cycle of six years or 60,000 miles?

Answer:

Approximately 2,700 vehicles currently exceed the six year/60,000 mile replacement cycle mandated by the General Services Administration (GSA).

Question:

How did you determine this replacement cycle?

Answer:

The six year/60,000 mile replacement cycle is contained in the current GSA Federal Property Management Regulations established in 1947. The FBI recommends, and GSA has implemented for their own fleet, a three-year replacement cycle. FBI studies indicate a three-year replacement cycle would produce a savings of $1.8 million in operating costs alone per year and after full implementation, reduce the current base budget by $5.3 million. Cost avoidance after the initial eight-year payback period would amount to $24.5 million over ten years and $60 million over 15 years.

Question:

You state in your justification that the FBI will end 1987 with a documented shortfall of 120 vehicles. Can you provide some specific impacts of this shortfall on your investigative personnel?

Answer:

Due to the shortage of vehicles, some investigative personnel will not have basic transportation available to conduct criminal and foreign counterintelligence investigations. Special agents may have to wait for the return of vehicles from other users or double up in conducting the work. For major investigations, large concentrations of Bureau vehicles are needed on short notice. Offices not having appropriate complement levels of vehicles are often times forced to use rental vehicles which are not properly equipped with voice privacy radios or other technical equipment needed to assist in the investigation.

Digital Voice Privacy Radio System

Question:

The FBI took the lead in the design, development and implementation of a single, integrated VHF Digital Voice Privacy (DVP) radio system

to support the tactical requirements of the FBI, Drug Enforcement Administration (DEA), and U.S. Marshals Service. What is your current completion date for architecture and design of the radio system?

Answer:

An integrated digital voice privacy (IDVP) radio system design study is underway in the "Northeast Corridor" of the United States which includes the Boston, New Haven, New York, Newark, Albany and Buffalo field offices. A user needs survey was conducted in those offices during March, 1987. The IDVP design and implementation dates will be decided based on the results of the design study and user needs survey. It should be noted that from a design standpoint, the IDVP system is not viewed as a single system. Its design requires that specific functional and geographic factors which vary throughout the U.S. be considered. The anticipated completion date for architecture and design of the IDVP system is 1990.

Question:

Do you plan to field test the radio prior to implementation and, if so, when will this be completed?

Answer:

A field "test bed" for the integrated digital voice privacy (IDVP) radio system is being conducted in the Boston field office. All mobile radio units and more than ninety-five percent of the fixed equipment, e.g., base stations and repeaters, is installed. This "test bed" is providing valuable data and insight concerning operational details and inter-operability requirements for the nationwide IDVP system. As stated in the previous answer, a design study is underway for the "Northeast Corridor." A user needs survey is also underway in those offices. The results of the "test bed", design study, and user needs survey are expected in September 1987, and will be used to project IDVP requirements throughout the rest of the country.

Question:

The Digital Voice Privacy (DVP) radio system you plan to use, is it the same as the one that has been installed for the past several years in FBI offices around the country?

Answer:

The FBI's original plan called for a DVP radio system, using the VHF radio spectrum and a proprietary encryption standard, to support only FBI needs. Since that time, the thrust of the DVP program has evolved from an FBI-wide system to an integrated system supporting the FBI, the Drug Enforcement Administration (DEA), and the U.S. Marshals Service (USMS). In August, 1985, the Attorney General directed the FBI to lead the design, development, and implementation

of a single integrated DVP radio system to support the needs of the three agencies. The integrated DVP system will share the FBI's backbone architecture rather than three separate ones. Additionally, DEA and the USMS will adopt the FBI's encryption standard.

An integrated system will provide economies related to centralized equipment procurement, inventory management, and maintenance. A single integrated DVP staff avoids inefficiencies and reduces overhead. Also, cost benefits will be realized by elimination of overlapping network backbone circuits and attendant costs.

Question:

You request 50 additional field electronics technician (ET) positions to support digital voice privacy (DVP) requirements. How many such technical positions do you currently have supporting your existing systems and why do you anticipate their workload will increase enough to warrant 50 additional positions?

Answer:

The FBI is currently funded for 249 field ETs. Among the major responsibilities of these ETs are the FBI's telecommunications systems, the Field Office Information Management System, and the integrated digital voice privacy (IDVP) system.

The additional ETs are needed to maintain radios in working order, service leased radio antennas and microwave repeater sites, and install car radios, consoles, base stations, and related equipment. Currently, the FBI has an inventory of over 5,000 mobile and 3,500 portable DVP radio systems. This inventory will grow as more field offices receive DVP radio systems. The network of radio antennas and microwave repeater sites functioning as the backbone of the DVP system is expected to grow to 3,600 sites for the IDVP system - more than double the number of sites required for the clear channel radio system. Additionally, the FBI requires additional ETs to support Drug Enforcement Administration and U.S. Marshals Service installations and equipment in order to maintain the integrity of the IDVP system pursuant to NSA data encryption standards.

Question:

In 1987 you requested $983,000 for vehicles and it does not appear you have adjusted your 1988 base to take this into account. Since this amount is in your base why do you require an additional $450,000 for utility-type vehicles?

Answer:

The $983,000 requested in 1987 was reduced by $197,000 prior to enactment. In addition, incomplete restorations of the prior year's Gramm-Rudman sequestrations resulted in a reduction of $2,646,000 to the automotive budget, causing a break in the replacement and maintenance cycle, which increased costs for the fleet. Also, the

increased number of Electronic Technicians to support the Digital Voice Privacy initiative has necessitated additional vehicles in support of their mission. The $450,000 requested in FY 1988 is to address this need.

Engineering Research Facility

Question:

The FBI received $9,982,000 in 1985 for the construction of a joint FBI/DEA engineering research facility (ERF). At that time, what was the estimated cost to complete the facility and what was the estimated completion date?

Answer:

When the FBI formulated its 1985 budget request in November 1983, the cost for construction of a joint FBI/DEA ERF was estimated at $9,982,000 and occupancy was scheduled for mid-1988.

Question:

According to your justification, the current cost for completion of the Engineering Research Facility (ERF) is estimated to be $36,511,000. What changes have occurred since 1985 and what do you now see as the completion date?

Answer:

Requirements for the ERF have continued to evolve and grow since the inception of this effort during the 1985 budget cycle. Initial space requirements totaled 77,586 gross square feet; current space requirements total 250,210 gross square feet. This increase in space requirements was driven by both increases in personnel and technological requirements. The number of FBI engineering personnel has grown from 208 to 255. It was estimated originally that a staff of 14 from DEA would be collocated at the ERF; that number has now grown to 56. Increased technological and special requirements include state-of-the-art computer-aided design, engineering, and manufacturing capabilities; enhancements to fabrication and shop facilities to permit quick reaction to technical investigative requirements; an antenna and acoustics test facility; a heating/air conditioning plant; expanded waste treatment facilities; additional hallways and common space to accommodate the net square footage requirements; improved site security; and additional food service space requirements. The anticipated completion date for all phases of the ERF is 1990.

Question:

What would be the cost today to provide the Engineering Research Facility (ERF) capability envisioned in 1985?

Answer:

When the FBI formulated its 1985 budget request, the cost for construction of a joint FBI/Drug Enforcement Administration (DEA) ERF was estimated at $9,982,000. The cost today to provide the ERF capability envisioned at that time would be approximately $17,000,000.

Question:

Is this move freeing up space at other FBI/DEA locations that will result in lower GSA rents at those locations?

Answer:

The FBI will require the continued lease of the Newington Engineering Research Facility (ERF) to house its engineering staff until the Quantico ERF is constructed. It is expected that the FBI's engineering staff will be moved to the new facility by May 1990.

The FBI will evaluate its space requirements as that time draws near. A determination regarding the FBI's need for the vacated Newington space will be made after this evaluation. DEA will make its own determination regarding its space requirements.

Question:

Will the Drug Enforcement Administration (DEA) pay a proportionate share of costs to operate and maintain the Engineering Research Facility (ERF)?

Answer:

Details of a reimbursable agreement between the FBI and DEA relating to operations and maintenance costs of the ERF are currently under discussion.

Question:

Why does the Engineering Research Facility (ERF) require a heating/air conditioning plant separate from the FBI Academy?

Answer:

A separate heating/air conditioning plant is required because the existing FBI Academy plant cannot support the additional requirements of the ERF. A detailed analysis conducted by the architectural and engineering firm of Moseley-Hening Associates determined that a separate plant was needed.

Question:

What benefits does the Department expect from the collocation of FBI and Drug Enforcement Administration (DEA) engineering and research and development (R&D) staffs?

Answer:

The collocation of FBI and DEA engineering and R&D staffs will enhance further the excellent cooperation which exists between the two agencies. The technical capabilities of both agencies will increase due to the daily contact between the specialized staffs. The collocation of the staffs will reduce or totally eliminate duplicative engineering activities conducted by the FBI and DEA as well as promote joint R&D efforts to solve technical problems common to both agencies. The collocation of the staffs will allow the DEA to take advantage of the FBI's state-of-the-art computer-aided design, engineering, and manufacturing capabilities and its rapid prototyping/quick reaction capability. A rapid prototyping/quick reaction capability refers to a system of specialized design, development, and assembly of tools used to fabricate and develop custom electronic devices. The Defense Advanced Research Projects Agency, Department of Defense, has agreed to match funding with the FBI for this capability. The DEA will benefit by reducing both the cost of custom devices and the time required to obtain them.

Recruitment of Qualified Agents

Question:

According to recent FBI budget documents, a significant number of FBI special agents will become eligible to retire throughout the remaining 1980's and early 1990's. What proportion of all agents are likely to retire during this period (remaining 1980's - early 1990's)? What is being done to recruit qualified persons with special skills and backgrounds to replace these retirees? Specifically, will the Bureau be able to meet its needs for engineers, attorneys, accountants, scientists, pilots, and other individuals with particular expertise and skills?

Also, is the Bureau successfully recruiting individuals of different ethnic backgrounds, e.g., Oriental, Hispanic-American, needed for undercover investigations of organized criminal groups?

Answer:

Projected figures indicate that approximately 4,500 special agents or nearly 50 percent of the total agent population will retire prior to 1997. This figure is based upon an average retirement age of 52 years, two months among the special agent population. Should any factor such as a diminution or enhancement of the retirement benefits package occur, this retirement rate could experience a further "surge" based upon such action. However, at a minimum it appears

that 50 percent of all special agents will retire within the next nine years.

The FBI has successfully initiated the Regional Recruiting Project in the southeast section of the United States. This project utilizes veteran special agents in an intensive program of contacts with College Placement Offices and professional and community organizations identified as having a significant audience of individuals with specialized skills and educational backgrounds needed to replace those retiring as well as the anticipated skills needed to staff future needs of the Bureau. Additionally, the Personnel Resources Unit has initiated efforts to retain, through Government contract, the services of a full service advertising agency in order to target specifically the scope and content of recruitment advertising so as to reach more directly the targeted audience of individuals necessary to hire special agents.

The entire thrust of the drive to move toward a professional corps of special agent recruiters (the Regional Recruiter Special Agent) is to create the type of targeted, directed recruiting that can be responsive to the needs of the Bureau's future work force. Successful recruitment is simply the product of educating a targeted audience as to the availability of employment. Regional Recruitment is doing this now and will continue to do this as it is expanded throughout the United States.

Recently, the Bureau has been more successful in recruiting individuals of different ethnic backgrounds. For instance, in the area of Hispanic-Americans, the recruitment of such individuals has been identified and stressed as the number one priority recruitment need of the Bureau. Since 1983, the FBI has regularly attended and participated in all National-level Hispanic professional associations, including National Hispanic Chamber of Commerce, Hispanic Bar Association, etc.

Major recruitment advertising projects have been targeted toward individuals with language proficiency in various critical languages; however, the main stumbling block in terms of hiring large numbers of language qualified people is the fact that, in particular, Spanish-speaking applicants do not pass our initial proficiency test in large numbers. This is currently under study and being coordinated with the Language Services Unit. There is approximately a 60 to 65 percent failure rate at present.

The present recruitment trends indicate that larger numbers of such individuals are being attracted to the FBI, in time this will translate into more hiring from these groups.

Question:

Regarding recruitment of individuals with special expertise or characteristics, page 103 of the budget justifications indicates (1) that critically low "applicant pools" of such individuals have been "enhanced", but (2) there is "projected shortfall in hiring adequate

numbers of employees, especially those in 'specialty/technical' areas." Explain this apparent contradiction.

Answer:

The correct term for this would be apparent complication. The seeming contradiction of both statements is that all employers nationwide are suffering through the same projected shortfall of hiring adequate numbers of technically trained individuals. There are more jobs for such specialties than there are people to fill them. So even though the Bureau has expanded or enhanced the size of the eligibility pools in an effort to enhance the number of such hires, the fact is that we still do not have a sufficient number of qualified, suitable applicants for such positions given the intensive scrutiny (background investigation, health exam, drug screening, testing and interview requirements) we place these people under. The problem faced here is nationwide, governmentwide and industrywide, and is simply one of supply and demand for such people. Quite pointedly, the demand for such employees outweighs the supply, and until both come into a sense of balance, the FBI will continue to have to maintain aggressive recruiting techniques in this area.

Question:

A recent news article suggested that the maturity of FBI agents, and particularly of supervisors, has been declining. Further, this article alleged that this phenomenon is having negative consequences and may have contributed to the recent tragic death of a female agent from fellow agents' gunshots.

- Is the maturity of supervisory agents falling and do you believe that there have been negative consequences if it has?
- If there are negative consequences, what is the FBI doing to minimize them?
- Finally, do you believe that a modification in the current retirement policy for agents would be desirable?

Answer:

The maturity of FBI agents, and particularly FBI first-line supervisors, actually has increased in recent years. First-line FBI field supervisors currently are approaching an average of approximately four years in that capacity, which is a significant increase from the two years, six month level in 1980. Moreover, the average age of special agent investigators in nonsupervisory positions has increased from 36 years, 11 months in 1980 to 39 years, one month presently and likewise, our first-line field supervisors, from 40 years, seven months to 43 years, five months. The special agent work force is a mature, professional cadre, and no modification of our current retirement policy for agents is desired.

Question:

Recently an assistant special agent-in-charge brought suit against the FBI alleging discrimination. The suit alleges that Hispanic agents are assigned to offices in areas with high concentrations of Hispanics and where investigations would involve possible Hispanic criminal groups. This assignment policy is said to limit the career potential of agents with Hispanic backgrounds.

How does the Bureau reconcile the need to use agents with Hispanic or other ethnic backgrounds in investigations involving ethnic groups with the need to provide appropriate career advancement opportunities?

Answer:

When a person is specifically hired by the FBI as a special agent based on an identified ability, be it the ability to speak Spanish or the fact that they are an Electrical Engineer, it is absolutely fundamental that their assignments reflect this ability to the extent that the Bureau has a demonstrated need. If one accepts the basic premise that promotion reflects a job well done, then the notion that specific assignments prevent promotion is unfounded. An equitable comparison to the singularity of assignment facing the Spanish speaker would be to look at the totality of special agents who have entered the Bureau under the Engineering Program. This particular group, perhaps more than any other, remains exposed to the potential of being "tied" to their expertise for their entire career, and could equally, yet unjustifiably, charge discrimination in promotion. No such charge has been levied, and in fact an analysis of special agents with an engineering background, as opposed to their assignment, would show that despite any such assignment they have not suffered any neglect in terms of promotion. There are electrical engineer special agents occupying positions from field supervisor to Special Agent in Charge. The same may be said for Spanish speaking special agents in terms of their promotions. There are Hispanic agents in assignments at promotional levels ranging from field supervisor to Assistant Special Agent in Charge. Excellence at ones' responsibilities translates to promotion, and that is the simple fact of life as it relates to opportunities facing Hispanics or any other group within the FBI.

Employee Clearances

Question:

One theme running through several of the recent dramatic spy cases has been the lack of periodic reviews of the security clearances granted to Federal employees. Periodic or random checks into the background of Federal employees who handle sensitive information may identify individuals susceptible to compromise or may cause individuals to think twice about compromising national security. Does the FBI reevaluate the security clearances of its employee? Do you believe that periodic or random checks into the background of all

Federal employees with Secret or Top Secret clearances are desirable? Would the cost of such updates be justified?

Answer:

Two components within the FBI Security Program identify and address employee conduct with emphasis directly on trustworthiness and continued eligibility for access to National Security Information (NSI) and sensitive material:

a. The Sensitive Compartmented Information (SCI) Special Access Program evaluates approximately 6,000 of the 20,000 FBI employees when granting the new special access, and every five years thereafter, if the SCI access continues. The evaluation consists of a credit and criminal check, and a personnel file review. Employees are briefed and debriefed relative to their responsibilities for handling NSI. Security concerns which arise are handled according to the provisions of Director of Central Intelligence, Directive No. 1/14, entitled "Minimum Personnel Security Standards and Procedures Governing Eligibility for Access to Sensitive Compartmented Information."

b. The Personnel Security Program is tasked with:

   1. Investigating an employee's prospective spouse.

   2. Evaluating data contained in a Personnel Status and Security Questionnaire furnished by each employee every two and a half years.

   3. Monitoring foreign travel of all employees.

   4. Providing general security awareness briefings including individually tailored hostile intelligence threat briefings to employees.

The recently proposed "FBI Security Clearance Program" will serve as the apparatus to:

   1. Document employees' awareness of the need and responsibility for the protection of NSI through briefings and debriefings.

   2. Adjudicate the trustworthiness concerns which relate to employee behavior concerning financial irresponsibility, cohabitation, alcohol, drugs, criminal activity, security violations, emotional and mental disorders, and associations.

   3. Establish procedure for the revocation of the employee's clearance and subsequent removal from employment.

The recent upsurge in espionage matters indicates evaluation of an employee's trustworthiness is not only desirable, but essential to the protection of National Security.

Question:

On a related topic, several months ago news articles appeared suggesting that an FBI agent, who had gotten into financial difficulty, had allegedly sold classified information, either to foreign governments or to organized crime figures in the U.S. The agent involved was transferred from FBI headquarters, where he had access to FBI computers, to the training facility at Quantico.

- What is the status of this case? Is the agent still being investigated? If not, has he been cleared of all charges?

- If not cleared, is he to be charged with crimes, administratively disciplined, etc.?

Answer:

Although the news article referred to was not completely accurate, the agent is the subject of an on-going criminal investigation concerning receipt of improper bank loans. The investigation indicates that the agent did not sell classified information. The agent was reassigned to other duties during the investigation. Since the matter is before a Federal Grand Jury, it would not be appropriate to discuss the case in more detail, at this time. If criminal prosecution is not brought against the agent, the FBI will review the matter for appropriate disciplinary or personnel action.

Civil Rights Investigations

Question:

In the past two years there have been several highly publicized incidents involving violations of the civil rights of certain individuals. For example, in 1985 a black couple and an interracial couple suffered incidents of violence and harassment after moving into an all-white neighborhood in Philadelphia. More recently, civil rights marchers were abused in Forsyth County, Georgia, during a peaceful rally. What role does the FBI play in protecting and maintaining the civil rights of U.S. citizens and inhabitants? Is there evidence that civil rights violations are increasing?

Answer:

The thrust of the FBI's efforts in civil rights matters is to assure, in close coordination with the Department of Justice, a national environment in which the Federally protected civil rights of citizens and inhabitants are guaranteed. This goal is achieved by three principal activities. First, prompt investigation of allegations of civil rights violations has a deterrent effect upon potential violators and assures the public of effective redress of violations committed by public officials under color of law. For example, the FBI's immediate investigation of possible civil rights violations which occurred during the first civil rights march in Forsyth County, Georgia, on January 17, 1987, is credited by some officials with

having deterred more serious violence at the second and much larger march in Forsyth County on January 24, 1987. Second, the FBI has initiated management actions to concentrate its resources upon civil rights cases which have regional or national impact and the greatest potential for prosecution. These actions are in part responsible for the increase from 47 felony civil rights convictions in 1982 to 66 felony convictions in 1986. Lastly, since most civil rights allegations involve alleged violations of individual civil rights by law enforcement officers, the FBI continues to provide instruction to other law enforcement agencies concerning the responsibilities and obligations of peace officers under Federal civil rights statutes. Although few of the cases involving law enforcement officers result in prosecution, the FBI's training efforts may result in greater sensitivity to these issues and reduce the number of alleged violations.

There is no specific evidence that civil rights violations are increasing. In fact, in the past three years there has been a decline in the number of civil rights investigative matters received by FBI field offices. During the period of 1982 through 1984 approximately 8,200 investigative matters were received by FBI field offices each year. This declined to about 7,600 in 1985 and to about 7,300 in 1986. The FBI attributes this reduction, in part, to its training efforts and to its aggressive investigation of civil rights violations.

Product Tampering

Question:

Over the past several years, the public has been subjected to an increasing onslaught of product tampering incidents, with several deaths attributable to product tampering. Notwithstanding the FBI's solution of the Marks case, these product tampering cases seem to be extremely difficult to solve.

What, if anything, can Congress, manufacturers, or others do to forestall future product tampering cases or to enhance the ability of law enforcement agencies to track down the culprits?

Answer:

In 1983, Congress passed the Federal Anti-Tampering Act, which became Public Law 98-127. This legislation adequately addresses the problems associated with product tampering including false reports that a product has been, or will be, contaminated.

Numerous manufacturers of food, drugs and packaging material are attempting to develop "tamper evident" packaging for a variety of consumer products. The development of "tamper evident" packages may deter some individuals from committing this type of crime and help the public discern if a product has been adulterated before consuming it.

The majority of cases investigated by the FBI involve false reports (generally made by an anonymous telephone call) to a manufacturer or retail store that one or more of its products has been, or will be, contaminated with a poison or other dangerous substance. The task of identifying the individuals who make such random anonymous calls is difficult, but the FBI is making progress in this area and has had a number of cases successfully prosecuted in Federal court. The FBI intends to continue its vigorous enforcement of the Anti-Tampering Statute and to work closely with manufacturers and trade associations to develop methods to reduce this insidious criminal behavior.

Reimbursable Applicants

Question:

The reimbursable applicant workload is projected to triple from 1986 to 1988. What accounts for the dramatic increase? Will the Bureau be able to handle this increase and what actions are being planned to enable it to do so?

Answer:

During each of the past several years the FBI has conducted reimbursable background investigations (BIs) of about 1,700 individuals for other agencies, excluding the Drug Enforcement Administration. Each BI causes investigation in about seven different field office locations and the individual case initiations by the field offices are reflected as workload under "Investigative Matters Received." By agreement with the Department of Justice, the FBI was tasked with conducting BIs on about 600 individuals annually who are applicants for support positions in the offices of the United States Attorneys throughout the country. The FBI began receiving requests for these investigations on October 1, 1986. The Department of Energy (DOE) has advised the FBI it intends to request BIs on approximately 3,900 persons annually who are being considered for, or hold DOE's "Q-sensitive" clearances. This is an increase of approximately 2,400 BIs over the average of about 1,500 requests received from DOE in past years. DOE opines that the Atomic Energy Act, as amended, requires that the FBI conduct BIs of persons being granted DOE "Q-Sensitive" clearances. These additional obligations almost triple the number of individuals being investigated in this element of the applicant program. The FBI will be able to handle this additional workload and has begun obtaining the necessary resources. The Office of Management and Budget (OMB) has transferred 20 field agent and six headquarters support reimbursable workyears to the FBI from the Office of Personnel Management (OPM) to conduct the investigations on USA staff applicants which were conducted formerly by OPM. Additional reimbursable resources will be obtained to conduct the increased level of DOE BIs.

Domestic Security/Terrorism Investigations

Question:

According to recent FBI budget documentation, the domestic terrorism threat is not expected to diminish. Puerto Rican terrorist activity has increased; Jewish terrorist groups have made an apparent resurgence, and the threat continues from such right-wing terrorist groups as the Posse Comitatus and the Aryan Nations.

What is the FBI doing to counter domestic terrorism?

Answer:

Domestic terrorism, historically, has been a problem in the United States. To counter the threat, a number of things have been and are continuing to be done. The terrorism program was elevated to a national priority for the FBI in 1982. As such, appropriate resources have been directed to address the problem.

The FBI first tries to prevent a terrorist incident from occurring. The FBI has ongoing investigations of every group or organization known to be involved in terrorist activity in the United States. Through these investigations, FBI agents establish effective liaison with other law enforcement entities and develop those sources necessary to allow the FBI to prevent acts of terrorism. As part of this cooperative venture, the FBI has established a number of Joint Task Forces (JTF) on terrorism in certain cities in the United States. The JTF is composed of Federal, State, and local law enforcement agencies that work together in a concerted effort to interdict possible terrorist activities.

When a terrorist incident does occur, fast and aggressive reaction is the best way to counter the threat. The FBI uses the liaison which has been established and puts the resources of the intelligence base to work, in an effort to identify the perpetrators quickly.

Since establishing terrorism as a national priority, the FBI has also intensified and upgraded its training programs to counter the domestic terrorist threat. The FBI is very actively involved in counterterrorism planning and work with many other Federal, State and local agencies in this regard.

The FBI's aggressive, sustained approach has been effective in reducing the number of terrorist incidents in this country from 51 in 1982 to 17 in 1986.

Question:

In combating the threat of domestic terrorism, the FBI must act within statutory constraints and guidelines promulgated by the Attorney General.

- Has the FBI been able to execute its responsibility to thwart domestic terrorism within successfully these constraints?

- Are there any provisions of law or the guidelines that should be modified to enable the FBI to better counter terrorism?

Answer:

The current statutory constraints and Attorney General guidelines allow sufficient flexibility for the successful investigation and prosecution of domestic terrorist crimes. At the present time, it is not necessary to modify or amend any of the constraints placed on these investigations.

Question:

The budget justifications note that it has been necessary to draw resources from the international terrorism subprogram to meet domestic terrorism program needs. On the other hand, the justifications also state that in reality only one terrorism program exists, with the same agents typically working both international and domestic areas.

Does the Bureau have sufficient resources for both domestic and international terrorism? If not, what are the most critical resource needs, e.g., more agents, more equipment, or more funds for informants?

Answer:

In October 1982, the FBI elevated the Terrorism Program to a national priority status in response to a recognized growth of the threat. The FBI distinguishes between "domestic" and "international" terrorism in the United States in that, international terrorism is that which has a foreign or transnational character, while domestic terrorism does not. Because of this distinction, the domestic and international elements of the FBI's Terrorism Program operate under different funding and guidelines provisions. In reality, however, the FBI has one Terrorism Program and views this overall program as a national priority.

The most critical need is to increase the number of personnel so that the FBI may adequately address the terrorist threat. Thirty-three additional positions are being requested for the domestic portion of the Terrorism Program. Of these, 20 agent and 12 general support positions are for the Domestic Terrorism subprogram (field) and one agent position is requested for the Domestic Terrorism subprogram (Headquarters Coordination).

Since 1983, the FBI has had to redirect resources from the international portion of the terrorism program to address domestic terrorism needs. Agents have also been redirected from other programs allowing the FBI to utilize more agents than have been funded in the terrorism program.

Question:

Recent news accounts regarding the arrest and possible deportation of eight Popular Front for the Liberation of Palestine members indicate that a ten-month FBI investigation revealed no criminal acts by these individuals. Deportation proceedings, therefore, are based on provisions of the McCarren-Walter Immigration Act which allow for exclusion of aliens who are members of an organization that advocates world communism.

- Do you agree that the INS should have acted under these provisions to deport the eight individuals?

- Do you believe that the provisions of the law should be used in a proactive effort to deport individuals to prevent possible domestic terrorism?

Answer:

The basis for the FBI's investigation, of the eight persons who were arrested by INS in January 1987, was that these individuals are members of the Popular Front for the Liberation of Palestine (PFLP), an international, Marxist Leninist terrorist organization, which had publicly called for the commission of terrorist acts against the interests of the United States throughout the world.

During the course of these investigations, it was determined that these individuals may have been in violation of immigration regulations. In accordance with established procedures, this information was provided to the INS. Any time information is developed that the subject of an FBI investigation may be in violation of a law which is under the jurisdiction of another agency, that information is disseminated. That agency must then make a decision concerning follow-up action. The FBI will cooperate in any subsequent investigation consistent with applicable law, guidelines, and procedures.

When information is received by the FBI that members of international terrorist organizations, who are not citizens of the United States, may be in this country in violation of immigration laws this information is provided to the INS. The subsequent deportation of these people may well serve to forestall the activities of the terrorist organization in question.

With regard to the McCarren-Walter Immigration Act, in view of the fact that its provisions fall within the purview of another government agency, it would be inappropriate for the FBI to comment as to its application.

Question:

The FBI is "continuing to develop and train" a Hostage Rescue Team.

. How close is the Bureau to achieving full development of this team?

. What must be done to obtain a fully developed team?

Answer:

The FBI's Hostage Rescue Team (HRT) is fully developed in the sense that it is currently capable of carrying out its mission as a civilian law enforcement alternative to the use of military force for the resolution of high risk terrorist takeovers and hostage situations. As long as the HRT exists as a unit, it will always continue to evolve, developing new tactical concepts and techniques to maintain its capability to carry out its mission.

Question:

Media articles have suggested that Puerto Rican independence terrorists may be receiving training and support from communist or communist-affiliated nations. Does the FBI have evidence supporting these allegations? If so, what actions do you believe are needed to address this threat to United States citizens?

Answer:

The involvement of representatives or intelligence services from communist or communist-affiliated nations with Puerto Rican independence terrorist elements has been a concern of the FBI for many years. Prior to 1984, no evidence existed which could prove any logistical or financial support from a foreign government to these Puerto Rican groups. It was known that members of these groups had traveled to foreign countries and it was strongly suspected that support and training were being furnished.

The involvement and complicity of hostile foreign government representatives and/or intelligence services was documented by the FBI during the investigation of the September 12, 1983, robbery of $7.2 million from a Wells Fargo depot in Hartford, Connecticut, and the October 30, 1983, Light Anti-tank Weapon (Law) rocket attack of the Federal Building housing the FBI office in Hato Rey, Puerto Rico. Responsibility for these criminal acts was claimed by the Puerto Rican terrorist organization known as the Revolutionary Party of Puerto Rican Workers-Boricuan Popular Army MACHETEROS, more commonly referred to as the MACHETEROS.

Investigation of the MACHETEROS involvement in these criminal acts and a review of documents subsequently seized on August 30, 1985, during the arrests of MACHETEROS members and searches of their residences have revealed that representatives of a hostile foreign government had furnished support to the MACHETEROS, had been advised and consulted concerning an internal split of the organization, met with the leadership of the group in another foreign country, and had provided and was willing to continue to provide the organization with training, weapons, and explosives.

Continued and aggressive investigation of these terrorist organizations utilizing all legal means available is the most effective means of countering this threat to the United States.

Question:

Domestic and international terrorism can be integrally linked.

. Does the FBI maintain liaison with the CIA and other entities responsible for collecting foreign intelligence information?

. Are these relationships satisfactory?

. Can they be improved, and if so, how?

Answer:

The Terrorism Section, Criminal Investigative Division, has contact with the CIA and other entities responsible for collecting terrorism-related foreign intelligence information on a regular basis. Many employees, both agent and analyst, are involved in a number of committees and groups which meet on a regular basis and through which an exchange of intelligence information occurs.

There also exists, on a regular basis, a substantial exchange of information, such as name traces and threat-related intelligence, both foreign and domestic. Almost daily contact occurs in the area of exchange. Furthermore, the FBI maintains liaison offices which have regular contact with the CIA and other entities responsible for collecting foreign intelligence information.

These relationships are, for the most part, well received by all concerned parties; however, enhancements in these relationships are the focus of continued efforts.

Organized Crime Investigations

Question:

The FBI has been very successful in investigating organized criminal groups (La Cosa Nostra/Mafia). During the past year, these investigations have yielded positive results in terms of successful federal prosecution and conviction of major organized crime figures.

Do you feel that the convictions of the heads of these groups have permanently crippled organized criminal enterprises in the U.S., as some newspaper and magazine articles have stated? If not, will the FBI continue to pursue major organized crime figures?

Answer:

The recent indictments and convictions of the LCN hierarchy have left several of the LCN families in a state of disarray. The hierarchy of the five New York LCN families, as well as other LCN families, have

been indicted and/or convicted. However, to reduce the efforts against the LCN at this time would be a serious miscalculation of the extent of the control the LCN holds over certain labor unions and industries. Experience has shown that the criminal activities of an LCN family do not stop simply by convicting and incarcerating the upper echelon. Their positions are filled by subordinates, often acting as figureheads who maintain constant contact with their jailed superiors. In addition, an often discounted segment of the LCN are the countless criminal "associates" who operate with or at the behest of the LCN. This association can vary in degree, but the common thread is that these individuals work for the financial benefit of the criminal enterprise.

The Federal Government must pursue the opportunities that are now available in order to follow through and render ineffective the influence of these already weakened criminal enterprises. To delay would give the LCN the much needed time they require to reorganize and re-establish their grip on certain sectors of the American society.

The FBI will continue to pursue the LCN utilizing the Enterprise Theory of Investigation. This approach requires separate investigations that have been conducted against individual members of specific groups or family, be combined for prosecution, using both the criminal and civil provisions of the Racketeer Influenced and Corrupt Organizations statute, commonly known as RICO. Under this approach the group or family is named as an enterprise. Convictions on this basis result not only in significant periods of incarceration, but provide for the seizure of assets accumulated by the enterprise through its illegal activity, and can prohibit members of the enterprise from associating with corrupted labor unions, infiltrated businesses, compromised institutions, or even with other members.

The FBI intends to expand the use of the Enterprise Theory of Investigation to focus resources on those industries in which the LCN has significant influence. The investigative strategy used by the, FBI directed at the LCN influence in certain industries through labor union control has been refined through application. The criminal problem has been exposed and now will be addressed. Recent indictments and convictions are indeed impressive and encouraging, but they are merely the first steps in a long road to our goal of eliminating the LCN as a significant threat to American society.

Question:

Many law enforcement officials fear that we are currently seeing the development of new ethnic organized crime groups that could come to rival the traditional groups.

- What should we be doing to nip this problem in the bud?
- What specifically is the FBI doing? Does the FBI need any assistance in this regard?

Answer:

Oriental Organized Crime (OOC) groups and Colombian/South American drug trafficking groups are rapidly emerging, non-traditional ethnic organized crime organizations. As the traditional organized crime groups are disrupted through successful investigations and prosecutions, it is possible that the other non-traditional organized crime groups may become more powerful.

Early assessment of these emerging groups' capabilities and goals coupled with aggressive investigations and prosecutions are necessary to prevent their entrenchment in American society. Through information gathered by the FBI from investigations, informants, and undercover operations, these non-traditional groups are being identified and prosecuted. The Miami Field Office of the FBI has identified in excess of 200 Colombian/South American drug trafficking organizations. Resources are being concentrated toward these groups in major drug distribution cities.

In the first quarter of 1987, the FBI had over 200 pending cases directed at major OOC groups. They are being addressed as part of the FBI's National Drug Strategy (NDS). Key offices involved in these investigations include New York, Los Angeles, and San Francisco. As the intelligence base expands, additional cities such as Boston and Houston are being identified as having OOC problems. The NDS is a three to five year strategy and the implementation phase began in 1986.

Organized Crime Information System (OCIS)

Question:

As described, OCIS appears to be a valuable method of increasing the efficiency with which the Bureau can use its agents. However, the data base is far from complete, with a considerable backlog of case information to be entered into the system.

Will additional positions be required as OCIS is fully implemented in additional field offices?

Answer:

The FBI anticipates that virtually all FBI field offices will have at least retrieval capability of OCIS by 1989. However, not all locations will require an OCIS analyst to process information. The 66 positions requested in the 1988 Congressional Budget will have an immediate impact on the estimated 2,000 pending cases not being processed into OCIS. In addition, these positions will provide the much needed analytical support.

Informants

Question:

Informants are used in many FBI investigations, including organized crime cases. However, some recent cases seem to call into question how well the FBI is managing the use of informants. For instance, numerous allegations have been made in the media about inappropriate and perhaps improper handling of Jackie Presser, the recently indicted Teamsters Union head, as an informant. The use of Michael Raymond, alias Michael Burnett, as an informant also came under intense scrutiny because of his recent indictment for one murder and his possible involvement in the murders of four other persons.

Has the FBI thoroughly evaluated the use of informants within the past several years? If so, what changes have resulted from this evaluation?

Pursuant to these recent cases, is the FBI planning a review of the use of informants? If so, when will it be conducted and what will be the nature of the evaluation?

Answer:

The FBI makes a sharp distinction between the types of individuals who provide information with regard to FBI investigations. For instance, an individual who has indicated a desire to testify for the FBI as a result of information provided on a particular investigation is termed a cooperating witness (CW). A CW receives oversight, on a field level, from the case agent, supervisor, and Special Agent in Charge (SAC) or Assistant Special Agent in Charge (ASAC). On an FBIHQ level, a supervisor of the substantive violation along with his/her unit chief, section chief, Deputy Assistant Director (DAD), and Assistant Director (AD) provided necessary oversight.

An individual providing information on Foreign Counterintelligence or International Terrorism matters is referred to as an asset. In addition to the oversight at the field level, the substantive unit and section provide oversight on an FBIHQ level along with the respective DAD and AD.

A criminal informant is described as an individual who provides information to the FBI concerning criminal violations on a confidential basis. Along with oversight of criminal informants at the field level, oversight is provided at FBIHQ by the Criminal Informant/Witness Security Programs Unit (CI/WSPU). This unit continually monitors and evaluates all facets of the Criminal Informant Program (CIP) of the FBI and initiates policy changes when necessary. Representative of the important policy changes made are two recent examples: (1) raising the level of authorization in the field for an informant to engage in ordinary criminal activity from the supervisor level to the Assistant Special Agent in Charge level; and (2) requiring each field office to explain how a previous

monetary or payment authority was expended for an informant prior to a new authorization being granted at FBIHQ.

In addition to the evaluations conducted by the CI/WSPU, the Office of Inspections, Inspection Division, conducts a very thorough evaluation of each FBI field office's CIP in the biannual inspection of the office. In addition, the CI/WSPU at FBIHQ and the overall CIP is subjected to this same scrutiny by the Office of Inspections every two years during the CID inspections.

There are no special evaluations of the FBI's CIP planned; however, due to the many joint FBI and Drug Enforcement Administration (DEA) narcotics investigations and the FBI's concurrent jurisdiction in the investigation of narcotics violations, a review of the current Attorney General's Guidelines on the FBI's Use of Informants was undertaken. A working group comprising FBIHQ and DEAHQ personnel developed issues of mutual interest to each Agency concerning guidelines for informants. Drafts of proposed new guidelines have been prepared and reviewed. The most recent draft was reviewed by the AD, Criminal Investigative Division (CID), and revisions encompassing his recommendations have been made. The new draft will be re-submitted to the AD, CID, for further review. Upon his approval, the draft will be forwarded to DEAHQ for their review and comment. Once DEAHQ has completed a review, the draft will be forwarded to the Director of the FBI for his approval. The draft will then be submitted to the Attorney General who is the final authority for changes to be made in these guidelines.

Question:

The budget justification mentions close monitoring of payments to informants. Interestingly, Mr. Frank Varelli, a former FBI informant, has filed suit alleging that the agent responsible for him skimmed payments that were to be made to Mr. Varelli.

How does the FBI assure that proper payments are made to informants and how does the Bureau determine the proper use of a payment?

Answer:

When a special agent makes a decision to pay a criminal informant for services or expenses incurred in assisting the FBI, he or she must provide written justification to the field office management. The memorandum prepared must contain the amount previously paid to the informant, the date the informant was opened, and information justifying the requested amount. Authorization to pay the informant is obtained from the Special Agent in Charge (SAC) or, in his/her absence, the Assistant Special Agent in Charge (ASAC). An alternate contact agent must be present at the first payment made to an informant unless strong written justification can be given to FBIHQ for not having an alternate contacting agent present. Further, an alternate contacting agent must be present at all subsequent payments to an informant unless written justification can be given to and approved by the SAC or ASAC in the absence of the SAC. Receipts must

be obtained from all informants at the time each payment is made unless strong written justification can be given to FBIHQ for not obtaining a receipt. The informant file is reviewed by the field supervisor every 60 days ensuring that not only is the informant productive, but that he is being operated in conformance with the Attorney General's Guidelines and FBI rules and regulations. On an annual or biannual basis, depending upon the size of the field office, the Audit Staff at FBIHQ conducts a very thorough audit of all of a field office's financial transactions to include payment of informants. Again, on a biannual basis, the Office of Inspections conducts a review of each field office's Criminal Informant Program (CIP). Part of the CIP audit concerns payments made to informants.

The proper size of each payment is suggested by the special agent handling the informant and is reviewed by his/her supervisor and the SAC or ASAC in the field. Once an office has exhausted its payment authority for an informant, a communication is prepared and forwarded to FBIHQ requesting a new authorization. The communication must contain a detailed explanation as to how the previous authority was expended. Depending upon the cumulative amount previously authorized for a particular informant, the review at FBIHQ may be limited to a Criminal Informant/Witness Security Programs Unit Supervisory Special Agent and Unit Chief on the lower end of the spectrum, or will graduate through various authority levels which may include: Section Chief, Investigative Support Section; Section Chief, Substantive Section; Deputy Assistant Director, Criminal Investigative Division (CID); Assistant Director, CID; Executive Assistant Director, Investigations; and, in some cases, the Director.

Seizures and Forfeitures

Question:

The volume of seized and forfeited property handled by investigative agencies has increased dramatically in recent years. However, State and local police agencies have recently complained that the Federal Government has been slow to process the seized items and to disperse proceeds to cooperating police departments. Has the FBI experienced problems in this area? If so, what is being done to resolve the problems?

Answer:

The FBI is experiencing problems in processing seized items which have either been referred to the FBI for forfeiture or which the local police have requested as a result of a joint investigation. The delay in processing adoptive forfeitures from the police department goes hand-in-hand with the dramatic increase of the FBI's own seizures. There are a number of reasons for these delays, including inadequate staffing levels, the fact that investigations and subsequent forfeiture actions are more complicated than initially projected, and the fact that information provided to the FBI by local police for adoptive forfeitures is often incomplete or insufficient to meet Federal standards for forfeiture. In addition, forfeiture

actions are most often contested in judicial forfeiture actions and delays are approaching 18 months. Once cases are referred for judicial forfeiture, the FBI has no ability to control the timing of the process.

In an effort to resolve the problem internally three specific actions have been implemented:

1) the processing of forfeiture actions at FBIHQ has been streamlined and responsibilities of field personnel in the forfeiture process have been redefined;

2) additional staffing is being allocated to the forfeiture program through the reassignment of funded workyears;

3) outside contract personnel will be brought on board to assist in the processing of forfeiture actions by handling such matters as data entry, generation of notice letters and advertisements, and associated clerical tasks.

It is the FBI's goal to reduce the time necessary for the processing of administrative forfeiture actions from the present time of approximately 240 days to approximately 120.

Question:

It is noted that one additional agent is being requested to help with forfeiture-related areas of narcotics investigations. Is this a sufficient increase in staffing given the 232 percent increase in forfeiture matters since 1984?

Answer:

The passage of forfeiture legislation in 1986; the delegation of the administrative forfeiture responsibility; and the increased complexity of forfeiture investigations have resulted in the forfeiture process being significantly more labor intensive then initially projected. The complex nature of the actions, coupled with the dramatic increase in the volume of activity, became apparent recently. The agent workyear for 1988 is required immediately to assist in the administration of the program. This enhancement, together with the three activities contained on the previous page, will adequately address this problem.

Question:

The budget justification indicates that insufficient administrative support has resulted in delays in the initiation of forfeiture procedures causing the time for storage of items to increase, depreciation in the value of seized items, and forfeiture actions to be lost in court. These are serious consequences. How will the hiring of one agent for the forfeiture area alleviate problems that are attributed to a lack of administrative staff?

Answer:

The hiring of an additional special agent will contribute to the reduction of time necessary for processing forfeitures by providing additional staffing in the final review phase of FBI forfeiture procedures. Special agent personnel review the completed forfeiture files to determine if issues such as probable cause for forfeiture and sufficiency of the notice process have been met. At the present time, only one special agent is available in the Forfeiture and Seized Property Unit to perform this function and this has resulted in a substantial backlog. An additional agent will not completely eliminate the backlog, but will help to reduce it.

Travel/Transportation Requests

Question:

Travel/transportation requests are projected to rise from 30,000 in 1985 to 62,000 in 1988. This is a tremendous increase.

- What underlies the trend? Is this increase necessary? Why?
- What is being done to minimize the substantial costs associated with such an increase in travel/transportation?

Answer:

The projected increase in travel/transportation requests is simply based upon the planned expansion of the Airline Reservations Office's (ARO) teleticketing network to encompass nearly 100 percent of field office air travel. The costs associated with these travel/transportation requests will be mainly an increase in manpower resources to process the increased volume of requests. The bulk of the travel is already being performed. The degree to which we are able to expand ARO's teleticketing network will dictate what percentage of the travel will be processed through ARO by 1988. These projections represent an increase of services provided by ARO rather than an increase in travel.

Question:

Similarly, the justifications indicate that a 45 percent increase in relocation services for FBI employees is expected between 1986 and 1988. Again, this is costly activity that should be closely monitored, and perhaps curtailed.

- Are all of these relocations necessary? Why?
- When did the Bureau last study the issue of whether frequent transfers of agents are desirable and what was the result of the study?

Answer:

These projections represent an increase in services utilized rather than an increase in the number of transfers. All transferrers are eligible to avail themselves of at least part of the relocation services. Although new hires are not eligible for the guaranteed home sale part of the relocation program, they may utilize several aspects of the program which are available at no cost to the FBI, i.e., homefinding and mortgage financing assistance. Our on-going relocation education program, particularly with new agents training at the FBI Academy, Quantico, Virginia, has improved the awareness level of employees concerning their transfer-related entitlements. This should result in a significant increase in the number of transferees utilizing relocation services in 1988.

During 1986, the Office of Program Evaluations and Audits (OPEA) reviewed overall Bureau transfer policy; however, no recommendations were made concerning the issue of "frequency of transfers," per se. This is primarily attributable to the fact that consistent with current agent transfer policy a transfer, may be mandated and can be expect during the course of an agent's career. Additional transfers are optional or result from an agent's voluntary participation in the Career Development Program.

Field Office Information Management Systems (FOIMS)

Question:

What is the current projected cost and schedule for the accelerated FOIMS implementation plan? Why has the accelerated FOIMS implementation taken so long?

Answer:

In 1983, Director Webster approved the proposal to accelerate the implementation of FOIMS. Accelerated FOIMS implementation includes field office administrative functions such as case management, leads, indices, and personnel management. Since 1978, more than $125 million has been expended on FOIMS. Accelerated FOIMS will be on-line to all 59 field offices and 407 resident agencies by the end of December 1987 at a total cost of approximately $200 million. This estimate includes funding for acquisition and installation of workstations, construction and/or renovation of existing field offices in the Northeast Regional Computer Support Center (RCSC), and the Western RCSC, lease of hardware and software, data communications and maintenance expenses, contractual support for cost-benefit studies systems programming, and personnel costs. In 1983, the FBI entered into a contract with the Systems Development Corporation/ Burroughs to acquire workstations to support the FBI's automation activities. However, the contract award was protested by another corporation. Litigation of the contract resulted in substantial delays in workstation deliveries and software development.

Additional accelerated FOIMS has experienced delays due to the restricted budgetary climate. In 1986, the sequestration of funds from the Balanced Budget and Emergency Deficit Reduction Act of 1985 resulted in a loss of $16.9 million budgeted for intelligent workstations and $5 million budgeted for field office renovations related directly to FOIMS. In addition to the sequestering of funds, $5 million was reallocated from accelerated FOIMS to cover overexpenditures in other areas of the FBI. All of these factors has caused the delay in implementation.

Question:

When does the FBI plan to complete full implementation of FOIMS and how much will full implementation cost? What are the current annual operating costs for FOIMS and what will these cost be under full implementation?

Answer:

The full implementation of FOIMS includes extended functionality as well as the fully distributed environment with up to six regional computer support centers (RCSCs). The FBI expects extended FOIMS functionality to be operational in all field offices and resident agencies by 1991. Extended FOIMS functionality includes single source data entry, real time global query/transaction processing capabilities, and embedded expert system capabilities to support investigative work functions through standardized software. The fully distributed environment, with up to six RCSCs operational, is scheduled for 1993. The estimated total cost to complete FOIMS is projected at $297 million for capital investments and $38 million annually for operations and maintenance costs. Current annual operating expenses including lease of hardware and software, and data communications and maintenance expenses are approximately $25 million; by 1993 annual operating expenses are projected at approximately $38 million.

Question:

How have the delays in FOIMS implementation affected the FBI's ability to carry out its mission?

Answer:

Delays in FOIMS implementation have had an adverse impact on the FBI's ability to carry out its mission in several areas. The inability to collate available data is limiting the FBI's investigative abilities. Attempts to locate certain information are not made in a manual environment when such attempts result in a large output of resources. Collation of such information is elementary for an automated system such as FOIMS. In addition, the effective analysis of data collected through technical surveillances has been slowed through these delays.

The inability to share investigative data and files instantaneously among offices is also limiting the FBI's investigative abilities. Significant time delays are experienced by agents requiring access to investigative files. Current access to investigative files may require from one to several days in FBI resident agencies. The need to set various investigative leads will be eliminated when FOIMS is fully implemented because data such as rap sheets, indices, and automatic transfer of photographs will be available on-line to all offices and resident agencies through FOIMS.

Security of the FBI's data resources is less than adequate without full FOIMS implementation. An automated environment provides the means for a higher level of security than a manual environment. For example, full FOIMS implementation will restrict access to sensitive data to specific users who have a need-to-know. It will also provide for logging of all transactions. In the event of a security problem or leak, it is possible to determine what personnel accessed specific data.

Question:

In its 1988 budget request, the FBI indicates that the Institute for Defense Analyses completed a study that documented the costs and benefits of FOIMS. What cost factors were considered in this study? What were the key benefits described in the study and were they quantified? What is the bottom line of this cost-benefit study?

Answer:

The cost factors considered by the Institute for Defense Analyses (IDA) in its study documenting the costs and benefits of FOIMS include construction of regional computer support centers, renovation of FBI field offices, the purchase of equipment, lease of hardware and software, telecommunications and maintenance expenses, contractual support for cost-benefits studies, systems programming, system analysis, and design, supplies, and personnel costs.

The key benefits described in the study related to both efficiency and effectiveness. Efficiency benefits represent the value of time saved by investigative personnel utilizing FOIMS to retrieve data rather than manually searching files. Time saved is considered cost avoidance. Total efficiency benefits were estimated at more than $115 million through 1992. Effectiveness benefits represent the value of answers to questions that would not have been obtained using a manual search method. Total effectiveness benefits were estimated at more than $4.8 billion through 1992.

The study determined that a seven to one benefit-to-cost-ratio will be attained for the FOIMS program from inception through 1992. This ratio includes all sunk costs which have been incurred.

Expert Systems

Question:

What is the status of the FBI's artificial intelligence (AI) initiatives?

Answer:

The current status of the FBI's AI initiatives is as follows:

The Labor Racketeering Expert System is interfaced with the FBI's Organized Crime Information System (OCIS). Increased functionality of the Labor Racketeering Expert System has been achieved through the use of prototyping methodology and continued rule development by the FBI's organized crime experts in this area, in conjunction with technical personnel engaged in knowledge acquisition. Specifications for the full production system have been defined. A subset of this production system has been installed in an FBI field office to support a major labor racketeering investigation. The full production system will be completed in 1988.

System support for narcotics interdiction at the El Paso Intelligence Center (EPIC) is operational. EPIC now has the capability to access multiple agency databases from a single workstation with a single screen format for all queries. Additional workstations were installed in February 1987, to support new organizational elements at EPIC. The system provides an interface to flight plan sources and uses sophisticated mapping software to track aircraft and vessels and locate radio transmitters. Development of flight plan analysis and automatic query generation is underway. The system should be completed fully by the end of 1987.

The Counterterrorism Expert System is being developed through the use of prototying methodology. The latest prototype includes a variety of initial and general investigative rules and specific, complex, fine-grained rules for surveillance and other operations which have been identified as critical items by investigative experts at FBI Headquarters and major field offices. Full production system design has begun and a subset of this system will be available to FBI Headquarters users in 1987. The final system will be available to all users in 1988.

The first phase of the Generic Name Search Expert System has been completed. This system is now capable of identifying names as belonging to or derived from a particular nationality/language with a reliability in the high 90 percentile. Knowing this derivation, particular linguistic rules can be applied to aid in the search of various databases. The next phase of development is to integrate this name search capability with various FBI production systems and incorporate additional linguistic rules. This system will be completed in 1987.

The Payroll/Personnel/Decision Support Expert System is being developed through the use of prototyping methodology. Development of an integrated payroll/personnel system capability to support both the FBI and DEA was mandated by Reform 88. The Decision Support portion of this expert system is a high priority initiative as it will be an important executive management tool supporting decisionmaking both on a day-to-day basis and during crisis incidents. Initial working prototypes of this portion of the system will be completed by the end of 1987. The payroll and personnel portions of the system will be completed in 1987.

Question:

What expert systems capabilities are being developed and how much will they cost?

Answer:

Artificial Intelligence (AI) and expert systems initiatives are underway in the areas of labor racketeering, narcotics interdiction, generic name search, counterterrorism and decision support. Funding totaling $13,834,000 has been obligated for the development of these expert systems. These expert systems will be completed with the funding already provided, excluding the decision support system which requires outyear funding. It is anticipated that the decision support system will require additional funding of approximately three million dollars.

Question:

What work is the Institute for Defense Analyses (IDA) performing for the FBI and when will it be complete? How much is the FBI paying the Institute for this work?

Answer:

IDA is performing a wide range of work for the FBI including the implementation of law enforcement support expert systems, the development of an integrated payroll/personnel system capability supporting the FBI and DEA, a decision support system, and the performance a various analyses and studies.

IDA is leading prototyping activities and selected production models associated with the implementation of law enforcement support expert systems in the areas of labor racketeering, narcotics interdiction, counterterrorism, and generic name search capabilities. The narcotics interdiction and generic name search expert systems will be completed in 1987. The labor racketeering and counterterrorism expert systems will be completed in 1988. Funding totaling $11,842,000 has been provided to IDA for these expert systems.

IDA is developing an integrated payroll/personnel system capability to support both the FBI and DEA. This capability was mandated by

Reform 88. The payroll/personnel system capability will be completed in 1987.

IDA is also developing a decision support expert system which will be integrated with the personnel/payroll system. The decision support expert system is a high priority initiative as it will be an important executive management tool supporting decisionmaking both on a day-to-day basis and during crisis incidents. Initial working prototypes of the system will be completed in 1987. To date, funding totaling $1,992,000 has been provided to IDA for the personnel/payroll and decision support expert systems. Outyear funding of approximately three million dollars will be required to complete the decision support initiative.

IDA has conducted analyses for the FBI regarding its automation and voice privacy radio initiative. A study is now underway to determine the impact of automation on the FBI. Since one of the previous automation studies was completed below cost, the FBI did not require additional funding for this study. Results of the study are expected by June 1987. In February 1987, a study regarding the FBI's Strategic Information Operations Center (SIOC) was begun to address areas including the delineation of SIOC requirements, functions, and procedures, the establishment of relevant interfaces with other agencies, and to provide a comprehensive plan. The anticipated completion date for the study is February 1988. Funding totaling $195,000 was provided to IDA for completion of this task.

Question:

In response to questions during the 1987 appropriation hearings, Mr. Webster said that "the first version of the Labor Racketeering Expert System will be applied this year in a major investigation." Was this expert system used and what was the result?

Answer:

A major organized crime investigation in the Midwest is currently being supported by the labor racketeering expert system. Because the investigation is ongoing, specific details cannot be divulged at this time. However, feedback from agents conducting the investigation has been extremely favorable. Based on the success of this application, the Labor Racketeering Expert System is being refined to expand its knowledge base to include rules for new statutes, laws, and investigative expertise.

WITNESSES

	Page
Abel, R. B.	1439
Arnold, M. E	1113
Baer, B. F.	337
Bayse, W. A	1729
Brixey, J. A	1729
Brown, R. C	1275
Burns, A. I	375, 1529
Camero, P. V	965
Carlson, N. A	1275
Clark, E. A.	337
Curtis, Adrian	161
Daniels, A. E	1729
Duhadway, T. E	1729
Everson, M. W	1113
Farkas, G. M	1275
Ferguson, T. C.	1113
Flickinger, H. H	1, 161, 375, 1529, 1729
Ford, R. N	1, 161, 337, 375, 921, 965, 1113, 1275, 1529, 1729
Futey, B. A	743
Glover, J. D	1729
Gutierrez, Richard	875
Habicht, F. H., II	375
Haislip, G. R.	965
Hayes, R. J	771
Hogan, J. J	965
Houk, W. B.	1275
Kisor, Raymond	1113
Lane, J. J	161
Lawn, J. C.	965
Levine, Bertram	875
MacRae, E. C.	1113
McWhorter, L. S.	375
Meeks, H. D.	875
Meese, Hon. Edwin, III	1
Morris, S. E	771
Mueller, D. R	1113
Nelson, A. C.	1113, 1529
Norton, Richard	1113
Olsen, R. M.	375
Quinlan, J. M.	1275
Quinn, D. P.	965
Rensch, L. N., Jr	1275
Roper, M. J	1, 161, 337, 375, 743, 771, 875, 921, 965, 1113, 1275, 1439, 1529, 1729

	Page
Rule, C. F	375
Schlesinger, S. R	1439
Schmidt, Paul	1113
Sharp, E. J	1729
Spears, J. M	375
Speirs, V. L	1439
Stanton, T. J	921, 1529
Stewart, J. K	1439
Stiener, R. C	375
Sweda, D. J	1275
Turner, J. P	375
Vander-Staay, A. J	1439
Warfield, Wallace	875
Webster, W. H	1729
Weld, W. F	375
Westrate, D. L	965
Williams, J. K	965

INDEX

Page

Attorney General 1
- Administratively Uncontrollable Overtime 124
- Antitrust enforcement 133, 141
- Assistance, State and local 112, 129, 132, 146, 154
- Authorization bill 114
- Automation 106, 131, 149
- Bankruptcy Judges, U.S. Trustees, and Family Farmer Bankruptcy Act 94, 106
- Border patrol 123, 131, 144
- Border inspections 141
- Community Relations Service 157
- Consent decree 160
- Cooperative Agreement Program 136, 137
- Cuban repatriation 137
- Debt collection 107
- Drugs:
  - Analogues 121
  - Anti-Drug Abuse Act of 1986 92
  - Asset forfeiture 132, 147
  - Coordination of war 1, 109, 118
  - Czar 2
  - Education 142
  - Funding 1, 98, 111, 120
  - Grant program 129, 146
  - National Drug Policy Board 1, 118, 145
  - Prisons, Impact on 93, 135
  - Strategy 3, 23
  - Use, Trend 118
- Hate Violence, Study 159
- Independent Counsel 108, 132
- Immigration Reform:
  - Aliens fleeing to Canada 157
  - Apprehensions, Reduction from Act 117
  - Border Patrol 123, 144
  - Employer sanctions 116, 140
  - Funding 108, 116, 123
  - Immigration Reform and Control Act of 1986 ..... 91, 96
  - Legalization 116, 117, 122, 138, 145
- Judgeship nomination 132
- Justifications 24

Page

Attorney General—Continued
Juvenile Justice:
Director, Appointment of ... 129
Funding ... 154, 156
Legislative Impact ... 22, 90, 95
Organized crime ... 102, 134
Prisons, Federal:
AIDS ... 127
Alternatives ... 128, 147
Construction ... 104, 128, 135
Cubans, Detention of ... 138
Drug Act, Impact of ... 126
Population projections ... 104, 126, 134
Sentencing guidelines, Impact of ... 126
State and local facilities, Use of ... 135, 136
Questions for the record ... 144
Sentencing guidelines ... 126, 156
Statement:
Opening ... 22
Formal ... 88
Subcommittee business ... 123
Summary, Budget ... 24

Community Relation Service ... 875
Biography, Wallace Warfield ... 914
Ethnic group conflicts, Changes in ... 916
Incident occurrence ... 916
Justifications ... 876
Prevention and Conciliation of Community Disputes ... 917
Questions for the record ... 917
Reception, Processing and Care of Cubans and Haitians ... 917
Original 1988 Request ... 915
Statement:
Formal ... 907
Opening ... 914

Drug Enforcement Administration ... 965
Accomplishments ... 1067
Assets:
Attorney General's guidelines on ... 1108
Management of ... 1078
Process of ... 1081
Removal teams ... 1076, 1096
Seizures of ... 1076, 1104
Automated Data Processing ... 1082, 1098
Biography, Philip V. Camero ... 1071
Biography, Gene R. Haislip ... 1072
Biography, James J. Hogan ... 1072
Biography, John C. Lawn ... 1070
Biography, Donald P. Quinn ... 1071
Biography, David L. Westrate ... 1071
Biography, James K. Williams ... 1072
Budget request ... 1066, 1084
Cocaine Seizures, Price and Availability ... 1072

Drug Enforcement Administration—Continued — Page
"Crack" Cocaine:
Price and Availability ... 1074
Problems with ... 1068
DEA/FBI relationship ... 1073
Digital voice privacy ... 1092, 1105
Domestic enforcement ... 1089
Drug abuse education:
Americans in Europe ... 1086
Education program and efforts ... 1086, 1087
Sports Drug Awareness Program ... 1087
Drug Abuse prevention activities ... 1069
Drug reduction:
Demand ... 1075
Supply ... 1075
Engineering Research Facility ... 1085, 1093, 1108
Extradition problems ... 1080
Federal drug strategy ... 1067
General comments ... 1085
Heroin production ... 1080
Intelligence:
Bolivian refineries ... 1084
Foreign ... 1100
International drug enforcement ... 1068, 1075, 1079
International instability ... 1080
Justification ... 966
Management and Productivity Savings (A-76) ... 1085, 1090
Omnibus Drug Supplemental ... 1094
Operation BLAST FURNACE ... 1084
Operation PISCES ... 1078
Organized Crime Drug Enforcement ... 1082, 1101
Questions for the record ... 1089
Statement, opening ... 1066
TEMPEST ... 1102
Training ... 1102

Federal Bureau of Investigation ... 1729
A-76 policy ... 1873
Abortion clinic bombings ... 1879
Authorization bill ... 1874
CIA Director, Appointment of Mr. Webster as ... 1872
Digital voice privacy ... 1877, 1880, 1881, 1993-1995
Drug Enforcement role ... 1870-1872, 1989-1991
Employee clearances ... 2001-2003
Engineering Research Facility ... 1856, 1876, 1996, 1997
Expert systems ... 2021-2023
Field Office Information Management Systems (FOIMS) ... 2018-2020
Foreign counterintelligence ... 1856
Informant:
Payments ... 1875, 2014, 2015
Usage ... 2013

Federal Bureau of Investigation—Continued Page
Investigations:
Civil rights ... 2003, 2004
Organized Crime ... 1853, 2010–2012
Terrorism ... 2006–2010
Justifications ... 1730
Motor vehicle ... 1991–1993
Office of Liaison and International Affairs ... 1855
OMB reductions ... 1868, 1873, 1874, 2012
Organized Crime Information System (OCIS) ... 1874, 1875, 2012
Product tampering ... 2004
Questions for the record ... 1985
Recruitment procedures ... 1988–2001
Reimbursable applicants ... 2005
Statement:
Opening ... 1853
Formal ... 1858
Sting operations ... 1984
Terrorism ... 1854–1856, 1869, 1878, 1986–1988
Testing operations ... 1881, 1882
Training ... 1856
Travel and transportation ... 2017
Undercover operations:
Involvement ... 1884
Problems ... 1883, 1884
Supporting data ... 1886
White collar crime ... 1854
Witness security ... 1876

Federal Prison System ... 1275
AIDS ... 1408, 1431–1437
Alternatives ... 1421
Annual Inmate Cost ... 1407
Capacity:
Additional ... 1415
Current ... 1406
Carlson, praise ... 1409, 1420
Construction:
Alaska facility ... 1419
Alternatives ... 1422, 1423
Cost ... 1423
Funding ... 1417, 1418
Guantanamo Bay, Cuba facility ... 1411
New facilities ... 1417, 1418, 1421, 1422
Rate ... 1419
West Virginia Facility ... 1416
Curfew parole program ... 1426, 1427
Early release ... 1407
Education levels ... 1426
Electronic monitoring ... 1415, 1426
Existing facilities:
Increases ... 1405, 1406
Federal Prison Industries, Role of ... 1391, 1428–1431
Justifications ... 1276

Federal Prison System—Continued — Page

- Halfway houses ... 1414
- Hospital facilities ... 1408, 1409
- Legislation impact ... 1417
- Literacy ... 1425, 1426
- Mariel Cubans ... 1410, 1411
- National Institute of Corrections ... 1391
- Offenders, Numbers of ... 1423, 1424
- Praise to Carlson ... 1409, 1420
- Private sector prisons ... 1416, 1417
- Population:
  - Increases ... 1390, 1412
  - Inmates ... 1404, 1405, 1412
  - Overpopulation ... 1407, 1408, 1418
  - Reduction attempts ... 1404, 1405. 1412
- Questions for the record ... 1421
- Rehabilitation ... 1424-1428
- Sentencing Commission efforts ... 1417
- Staffing ratios:
  - Correctional Officers ... 1409
  - Staff/inmate ... 1410
- State and local jail contracts ... 1405
- Statement:
  - Opening ... 1390
  - Formal ... 1392
- Site determination ... 1404, 1412, 1413
- Vocational education ... 1418

Foreign Claims Settlement Commission ... 743

- Budget request ... 765
- Claims:
  - Ethiopian ... 766, 768
  - Iranian ... 766
  - Largest claim action ... 769
  - Vietnam ... 766, 768
- Justifications ... 744
- Statement:
  - Opening ... 765
  - Formal ... 760
- Questions for the record ... 768

General Administration ... 161

- Administrative Review and Appeals ... 240
- Biography, Harry H. Flickinger ... 230
- Department Leadership ... 236
- Executive Support ... 237
- Financial Management Systems:
  - 1986 plan ... 281
  - Operating plans for improvements ... 272
  - Request ... 241
- Immigration Reform ... 233
- Internal Control Systems, Review of ... 248
- Justice Management Division ... 238

General Administration—Continued	Page
Justifications:	
Fees and Expenses of Witnesses	317
General Administration	161
Legislative Affairs, Staffing	232
Public Affairs, Staffing	233
Questions for the Record:	
Fees and Expenses of Witnesses	329
General Administration	236
Staffing levels	231
Statement:	
Formal:	
Fees and Expenses of Witnesses	329
General Administration	224
Opening	230
Transfer, Protection of Witnesses	334
Victims compensation	335
Working Capital Fund	243
Working Capital Fund Relocation	305
General Legal Activities	375
Acknowledgment, U.S. Parole Commission	694
Antitrust Division:	
Bids, rigging of	700
Budget request	682, 708
Chrysler buy-out, American Motors	732
Decrease for	699, 708, 732
Policies of	699
Budget:	
Department process	692, 701
Justifications	376
Total request	375, 679
1987 Supplemental	679
Burns, Brendan Harris, Introduction of	679
Consolidation, General Legal Activities	684
Domestic Defense Department	692
Independent Counsel:	
Cost of	727
Cost projections for	727
Litigation:	
Civil	704, 736
Explosion of	701
Impact statements	686
Increased Mandates	680
Office Automation:	
Automated litigation support	710
Contrast, Private firms	695
Costs, breakout of	727
Increases for	684
Legal Activities	705
Savings due to	728
Technology, Expansion of	692
U.S. Attorneys, Impact on	704

General Legal Activities—Continued — Page

Prisons:
- Acknowledgment of ... 694
- Construction of ... 698
- Drug-related population ... 697
- Early release vs. incarceration ... 693
- Federal responsibility ... 697
- Incarceration policies ... 696
- Marion Correctional Institution, Visit to ... 693
- Population statistics ... 692, 698
- Privatization of ... 693

Program requests:
- Antitrust Division ... 682
- Civil Division ... 681, 720
- Civil Rights Division ... 682, 725
- Criminal Division ... 680, 718
- INTERPOL ... 726
- Land and Natural Resources Division ... 682, 723
- Office Automation ... 684
- Tax Division ... 683, 714
- United States Attorneys ... 683

Questions for the record ... 710
Recoveries ... 698
Special Counsel, Office of ... 682, 728
State and local cooperation:
- Drug problems ... 702
- Operation Alliance ... 706
- U.S. Attorneys ... 706

Statement:
- Opening ... 679
- Formal ... 664

U.S. Attorneys:
- Autonomy of ... 705
- Conference ... 694
- Cooperation with State and locals ... 708
- Debt collection ... 737
- Enhanced security for ... 703, 705
- Guiliani, Rudolph ... 694
- New Positions, salaries for ... 739
- Operation Alliance ... 702
- Positions, Allocation of ... 707
- Record of ... 694
- White Collar Crime, Positions requested for prosecution of ... 735
- Workload ... 740

Witnesses:
- List ... 375
- Introduction ... 684

Workload increases ... 729, 732, 736, 740

Immigration and naturalization Service ... 1113
A-76 evaluations ... 1223
Automated Data Processing:
- Hardware acquisition forecast ... 1232
- Information Systems Technology ... 1231, 1232

Immigration and naturalization Service—Continued
Automated Data Processing—Continued Page
Modernization 1254
Border Patrol 1247, 1248
Courtesy and public relations 1235
Deportation and Detention 1237, 1252, 1253
Detroit, Michigan staffing 1230, 1231
Employer sanctions 1236, 1249–1251, 1269, 1290
Inspections:
Luggage 1234
On-Plane 1234
Processes 1234
Justifications 1114
Law enforcement improvements 1218
Legalization:
Applicant 1226, 1227, 1229
Fee structures:
Cap on family legalization fees 1227
Estimtes 1222, 1223, 1243, 1244
Immigration 1225, 1245, 1246
Legal opinions 1222
Schedule for office openings 1217, 1218
Mariel Cubans 1264, 1265, 1266
Mexico, Relations with 1221
Naturalization 1256
New employee verification form 1217
New requlations 1223
Organization involvement 1225, 1226
Program accomplishments 1220
SAVE program 1238, 1267
Smuggling activities 1240, 1241
State incarceration, Reimbursements of costs 1236, 1239
Statement:
Opening 1201
Formal 1201
Questions for the record 1242
Terrorist activities 1239, 1240
Vehicle acquisition 1255, 1260, 1262
Office of Justice Programs 1439
Anti-Drug Abuse Program 1523
Anti-gay Violence 1506
Biography, Richard Bender Abell 1500
Biography, Verne L. Speirs 1501
Budget Process 1509
Bureau of Justice Statistics 1581
Crime Victims Fund 1500, 1525
Elimination of State and Local Assistance 1519
Federal funds, limited 1500
Guidelines, Attorney General 1511
Judicial training 1527
Justifications 1440
Juvenile Justice Programs 1519
Law-Related Education Programs 1501
Management and Administration 1508, 1525

Office of Justice Programs—Continued	Page
Mariel Cubans:	
Program	1502, 1521
Released from State and Local Facilities	1502
Missing Children Program:	
Accomplishments and Workload	1502, 1503
National Institute of Justice	1514
Questions for the record	1514
Regional Information Sharing System	1503, 1522
Spring Planning Estimates	1510
Statement, Opening	1498
Termination of Juvenile Justice Programs	1507
White Collar Crime Statistics:	
Initiative	1503
Necessity	1506
Purpose	1504
Supplemental Request, 1987	1529
Bankruptcy Judges	1684, 1688
Biography, Arnold I. Burns	1669
Bond Building request	1706, 1707
Border Patrol activity:	
Reduced apprehensions	1682
Staffing	1689, 1690
Cooperative Agreement Program	1673
Debt Collection Activity	1672
Drug Enforcement	1690
Federal Telecommunications System	1709, 1726
Federal Employees Retirement System Act	1672, 1714, 1715
Fraud activity	1672
Illegal Aliens	1674
Immigration Enforcement:	
Apprehension rate	1688, 1689
Fee structure	1683, 1691, 1694
Legalization fees	1721–1722
Legalization offices	1721–1722
Immigration Reform and Control Act:	
EOIR funds request	1698–1701
GLA funds request	1703
Support activities	1728
Immigration and Naturalization Service:	
Language Staff abilities	1727
Library System	1726, 1727
Rescission	1692, 1693, 1711, 1712
Justifications	1530
Legislation Requirements	1669, 1670
Litigation Resources	1709
Mariel Cuban Detention	1673
Pay raise request	1712, 1713
Security	1707, 1708
Special Counsel:	
for Discrimination	1716, 1717
for Immigration	1670

Supplemental Request, 1987—Continued Page

Statements:
- Opening 1655
- Formal 1676, 1685

Support of U.S. Prisoners 1710
Questions for the record 1694
Uncontrollable increases 1669
U.S. Trustee:
- Nationwide Expansion 1671, 1672, 1692, 1704
- System Fund 1704, 1705, 1706

U.S. Marshals Service 771
Automated Data Processing:
- Initiative 854
- Procurement of 855

Aircraft 859
Assets Forfeiture Fund:
- Changes to 857
- Legitimate Claims to 852
- Operation and Use of 856
- Share of 851

Biography, Robert J. Hayes 848
Cooperative Agreement Program 857
Court Orders 824, 838
Court Security Officers 822
Drug-Related Arrests 853
Federal Prisoners: 823
- Handling of 857
- Problem of Housing 857
- Transportation of 865

Fugitive Investigations 824, 837, 862
Judicial Security 821, 830, 849, 853, 863
Justifications 772
Management and Administration 861
Management and Support Services 824, 840
Organized Crime Drug Enforcement 839, 869
Questions for the record 861
Statement:
- Opening 821
- Formal 828

Support of U.S. Prisoners 825, 842
U.S. Marshals Service Act of 1985 848
Venue, Issue of 850
Witness security and protection 823, 834, 853

U.S. Parole Commission 337
Analyst and Probation Officer, Difference between 368
Contract Typists 361
Elimination:
- Proposed 359
- Supervising parolees after 370

Increases:
- Effects of 359
- Funding 369

U.S. Parole Commission—Continued
Increases—Continued — Page
Staffing — 359
Justifications — 338
Parole staffing and responsibilities — 367
Parole surveillance — 367
Questions for the record — 373
Recruitment problems — 370
Reincarcerations:
Drug-related — 369
Number — 368
Release programs — 362
Request to OMB — 361
Sentencing Commission's Guidelines — 360
Statement, opening — 359
Workload estimates — 360

U.S. Trustees — 921
Appropriations, Future — 957
Budget request — 958
Collections:
Filing Fees — 962
Proceeds — 957
System for — 958
Justification — 922
Program Expansion — 957
Qualification for Trustees Positions — 960
Questions for the record — 962
Skill Requirements — 960
Statement:
Opening — 946
Formal — 947
Summary — 956
Workload — 962

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